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# bulletin

XVI, No. 402  
March 28, 1947





# *The Department of State* bulletin

VOL. XVI, No. 402 • PUBLICATION 2779

March 16, 1947

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$5.00; single copy, 15 cents

Published with the approval of the  
Director of the Bureau of the Budget

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## REPORT ON THE SOUTH SEAS CONFERENCE

### With an Analysis of the Agreement Establishing the South Pacific Commission

by Emil J. Sady

*Delegates to the South Seas Conference representing the governments which administer non-self-governing territories in the South Pacific drew up and signed an agreement establishing the South Pacific Commission. The Commission will seek to promote the economic and social advancement of 2,000,000 people in the South Pacific. This article presents a brief report of the Conference and an analysis of the agreement.*

The South Seas Conference which convened at Canberra from January 28 to February 6, 1947 was attended by delegations representing the governments which administer non-self-governing territories in the South Pacific region—Australia, France, the Netherlands, New Zealand, the United Kingdom, and the United States. The Conference was called by the Australian and New Zealand Governments in fulfilment of one of the goals which the two Governments had set for themselves in the Canberra pact of January 1944.

The primary task of the Conference was to prepare an agreement for the establishment of a regional commission which might assist the participating governments in promoting the social and economic advancement of the peoples of South Pacific territories. The delegations which devoted themselves to this task consisted largely of officials in the foreign and colonial offices of the respective governments, diplomatic representatives in Australia, and administrators of territories in the South Pacific.<sup>1</sup>

In his address before the opening plenary session of the Conference, Ambassador Butler, United States Delegate, stated:

"This is indeed an important occasion, one which

reflects the good faith and purpose which joined the governments here assembled during the recent war, one which is filled with hope and promise for the people of the South Pacific island territories.

"To obtain an adequate measure of the significance of this conference, one has only to recall the varied history of the peoples of the South Pacific and the many common problems which beset their economic and social life. Particularly deserving of note is the fact that this is the first time the administrators of the area have met together with a view to sharing their common experiences and working out the basis for future cooperation. In addition one must recognize the obligations as-

<sup>1</sup>The U.S. Delegation was composed as follows: *Delegate*: Robert Butler, U.S. Ambassador to Australia; *Principal Adviser*: Capt. Harold A. Houser, U.S.N., Governor of American Samoa and Navy Department Representative; *Advisers*: James Frederick Green, Associate Chief, Division of Dependent Area Affairs, Department of State; Roy E. James, Division of Territories and Island Possessions, Department of the Interior; Abbot Low Moffat, Chief, Division of Southeast Asian Affairs, Department of State; and Arthur L. Richards, Assistant Chief, Division of British Commonwealth Affairs, Department of State; *Secretary*: Emil J. Sady, Division of Dependent Area Affairs, Department of State.

sumed under chapter XI of the United Nations Charter by the governments represented here to cooperate with one another to promote the welfare of the inhabitants of non-self-governing territories."

#### Conference Officers and Organization

The delegates elected as chairman and vice chairman of the Conference, respectively, Herbert Vere Evatt, Deputy Prime Minister and Minister of External Affairs of Australia, and Walter Nash, Deputy Prime Minister and Minister of Finance of New Zealand, both active proponents of United Nations and other international programs to improve the political, economic, and social status of the inhabitants of non-self-governing territories. E. W. P. Chinnery, Australian Commonwealth Adviser in Native Matters, was elected Secretary of the Conference. In his address before the closing plenary session, Ambassador Butler paid tribute to the leadership of these officers and to the efficiency and industry of the entire Conference secretariat staff.

The Conference was organized into six committees: Committee I, Area and Structure (chairman, Mr. Moffat, U.S.); Committee II, Powers and Functions (chairman, Ivor Thomas, M.P., U.K.); Committee III, Auxiliary Bodies (chairman, A. Gazel, France); Committee IV, Finance (chairman, A. J. Beversluis, Netherlands); Committee V, Immediate Projects (chairman, A. G. Osborne, M.P., New Zealand); Committee VI, Drafting (chairman, H. V. Evatt, Australia).

The fact that an agreement establishing the South Pacific Commission was drafted and signed, by the representatives of six government, in eight days is largely attributable to the circumstance that four of the governments participating in the Conference were already members of the Caribbean Commission, a regional organization established by an agreement signed on October 30, 1946 to serve the peoples of non-self-governing territories in the Caribbean. The agreement for the Caribbean Commission and the experience of the Commission in operating under this agreement were drawn upon in an effort to work out the most effective arrangement possible for the South Pacific Commission. Another factor making for unity

<sup>2</sup> Great Britain exercises a certain measure of protection over the Kingdom of Tonga pursuant to a treaty of friendship and protection between the two Governments.

was the common purpose and outlook of the delegations—in general, their common desire to cooperate with one another for the advancement of the inhabitants of the South Pacific and to enlist the participation of the inhabitants themselves in this joint endeavor.

#### Analysis of the Agreement

*Purpose of the Commission.* The governments declare in the preamble that the agreement is founded on their desire ". . . to encourage and strengthen international co-operation in promoting the economic and social welfare and advancement of the peoples of the non-self-governing territories in the South Pacific region administered by them".

*Name.* Two names were discussed, "South Seas Commission" and "South Pacific Commission". The latter was considered to be more accurate geographically, more in keeping with the serious task of the Commission, and free of the unfortunate associations attributable to the term "South Seas" through its use by Japanese expansionists.

*Territorial scope.* Article II provides that "The territorial scope of the Commission shall comprise all those non-self-governing territories in the Pacific Ocean which are administered by the participating Governments and which lie wholly or in part south of the Equator and east from and including Netherlands New Guinea. The territorial scope of the Commission may be altered by agreement of all the participating Governments."

There were no differences of opinion on this question of territorial scope. Within the South Pacific region as defined above are some 15 island territories inhabited by approximately 2,000,000 people. Of these the United States has jurisdiction over American Samoa (population, 17,000) and a number of sparsely populated and uninhabited islands. Also located in this region is the independent Kingdom of Tonga.<sup>2</sup> The Conference adopted a resolution expressing its hope that the cooperation of the Kingdom of Tonga will be enlisted in appropriate activities of the South Pacific Commission.

*Composition of the Commission.* Article III provides in part that "The Commission shall consist of not more than twelve Commissioners. Each participating Government may appoint two Commissioners and shall designate one of them as its senior Commissioner."



Committee I discussed proposals for having from one to three commissioners appointed by each government. It was felt that three would increase unduly the cost to governments of sending commissioners to meetings of the Commission and that one would not provide adequate representation. In this connection Committee I discussed proposals for specifying in the agreement that not more than one of the commissioners should be an administrator or governor of an island territory within the scope of the Commission, and that at least one of the commissioners should devote practically all of his time to the work of the Commission.

These proposals were opposed principally on two grounds. With respect to the first, it was argued that governors of the territories would contribute, as commissioners, to the practical orientation and fulfilment of the Commission's work, although it was recognized as being somewhat incongruous for the governors to be placed in the position of making recommendations to themselves. It was also pointed out that such a provision would place undue limitations upon the respective governments' power of appointment. The proposal for requiring the appointment of at least one full-time commissioner was opposed also on the ground that this requirement might, when viewed with present and probable future commitments for regional collaboration in this field, be difficult to fulfil from a personnel and financial standpoint.

No commitments on these points were written into the agreement itself, but as a compromise a resolution was drawn up and subsequently adopted expressing the hope of the Conference that "... each participating Government will designate as one of its Commissioners a person whose services to the fullest extent possible will be available for work and activities in connection with the Commission throughout the year". If the governments heed this resolution, at least six of the twelve commissioners will be persons whose services will be available at any time for the work of the Commission, and these will be persons who do not have major responsibilities in the territorial administrations of the region.

*Powers and functions.* Article IV states that:

"The Commission shall be a consultative and advisory body to the participating Governments in matters affecting the economic and social development of the non-self-governing territories within the scope of the Commission and the welfare and

advancement of their peoples. To this end, the Commission shall have the following powers and functions:

"(a) to study, formulate and recommend measures for the development of, and where necessary the co-ordination of services affecting, the economic and social rights and welfare of the inhabitants of the territories within the scope of the Commission . . . ;

"(b) to provide for and facilitate research in technical, scientific, economic and social fields in the territories within the scope of the Commission and to ensure the maximum co-operation and co-ordination of the activities of research bodies;

"(c) to make recommendations for the co-ordination of local projects . . . which have regional significance and for the provision of technological assistance from a wider field not otherwise available to a territorial administration;

"(d) to provide technical assistance, advice and information (including statistical and other material) for the participating Governments;

"(e) to promote co-operation with non-participating Governments and with non-governmental organisations of a public or quasi-public character having common interests in the area, in matters within the competence of the Commission;

"(f) to address inquiries to the participating Governments on matters within its competence;

"(g) to make recommendations with regard to the establishment and activities of auxiliary and subsidiary bodies".

Other paragraphs of article IV provide that the Commission "may discharge such other functions as may be agreed upon by the participating Governments", and that it "... may make such administrative arrangements as may be necessary for the exercise of its powers and the discharge of its functions."

The above provisions were agreed upon without any significant differences of opinion. Attention is called to the fact that the Commission is not given the power to concern itself with political matters or questions of defense or security, an understanding reached by the participating governments prior to the Conference. In this regard the United States proposed that the Commission be empowered to study and make recommendations with respect to the "human rights" of inhabitants of territories within the scope of the Commission.

After much discussion it became clear that the term "human rights" could not be used without broadening the powers of the Commission to include matters primarily political in character. For this reason the term "economic and social rights" was preferred and was written into the agreement as stated in (a) above.

The Commission is also called upon to give early consideration to the economic and social projects set forth in a Conference resolution appended to the agreement. This resolution was drawn up in Committee V, which was composed largely of administrative and research officials of the non-self-governing territories in the South Pacific.

*Meetings and decisions of the Commission.* Article V provides that the Commission "shall hold two regular sessions in each year, and such further sessions as it may decide." Two thirds of all the senior commissioners shall constitute a quorum. With regard to voting procedure:

"The decisions of the Commission shall be taken in accordance with the following rules:

"(a) senior Commissioners only shall be entitled to vote;

"(b) procedural matters shall be decided by a majority of the senior Commissioners present and voting;

"(c) decisions on budgetary or financial matters which may involve a financial contribution by the participating Governments (other than a decision to adopt the annual administrative budget of the Commission), shall require the concurring votes of all the senior Commissioners;

"(d) decisions on all other matters (including a decision to adopt the annual administrative budget of the Commission) shall require the concurring votes of two-thirds of all the senior Commissioners."

If the senior commissioner is absent, the other commissioner or, in the absence of both, a person designated by the respective government shall exercise the functions of the senior commissioner. The Commission is also authorized to appoint committees and to promulgate rules of procedure governing its own operations and those of such auxiliary and subsidiary bodies and committees as it may establish, and of the secretariat. The official languages of the Commission and its auxiliary bodies shall include English and French. Annual reports of the Commission and its auxiliary bodies

are to be made to the participating governments and published.

The above arrangements were worked out in Committees I and VI with the complete endorsement of all the delegations. Alternative procedures for voting on financial matters were discussed at length. It was decided that the annual administrative budget should be adopted by a two-thirds vote of the Commission and that supplemental budgets for non-recurring expenses, such as special research projects, which would involve contributions from the participating governments would require the concurring votes of all the senior commissioners. The delegations agreed that the Commission should use the funds contributed by all the participating governments to finance activities and projects of general benefit. However, according to an interpretation approved by the Conference, the agreement does empower the Commission to render special services within its terms of reference to one or more of the participating governments so long as no cost to the Commission is involved.

Regarding the number of meetings of the Commission, one of the delegations suggested that the agreement should call for not less than one meeting a year, but, in view of the fact that no provision was being made in the agreement for full-time Commissioners, the delegates readily agreed that more frequent meetings were necessary.

*Research Council.* Committee III discussions on the Research Council demonstrated an active interest by the governments in the use of science as an aid to territorial administration. Every delegation enthusiastically supported the establishment of the Council and was anxious that it assume an important role in the work of the Commission.

Articles VI, VII, and VIII provide for the establishment, composition, and functions of the Research Council as a standing body auxiliary to the Commission. The Council shall be constituted as follows:

"The Commission shall appoint, as members of the Research Council, such persons distinguished in the fields of research within the competence of the Commission as it considers necessary for the discharge of the Council's functions.

"Among the members of the Council so appointed there shall be a small number of persons

highly qualified in the several fields of health, economic development and social development who shall devote their full time to the work of the Research Council.

"The Research Council shall elect a Chairman from its members."

The Commission shall appoint a full-time official to direct research and to supervise the execution of the Research Council's program. This official will be *ex officio* a member and deputy chairman of the Council and, "... subject to the directions of the Commission, shall be responsible for arranging and facilitating co-operative research, for arranging and carrying out research projects of a special nature, for collecting and disseminating information concerning research and for facilitating the exchange of experience among research workers of the area. He shall be responsible to the Secretary-General for all administrative matters connected with the work of the Research Council and of its Committees."

In all technical matters full-time members of the Council shall be under the deputy chairman; in all administrative matters they shall be responsible to the secretary general.

The advisory character of the Research Council is reflected (1) in the above arrangement for the direction of research by an official responsible primarily to the Commission, (2) in a specific provision that "recommendations of the Research Council in connection with research projects to be undertaken shall be first submitted to the Commission for approval", and (3) in the statement of the Council's functions as follows:

"(a) to maintain a continuous survey of research needs in the territories within the scope of the Commission and to make recommendations to the Commission on research to be undertaken;

"(b) to arrange, with the assistance of the Secretary-General, for the carrying out of the research studies approved by the Commission, using existing institutions where appropriate and feasible;

"(c) to co-ordinate the research activities of other bodies working within the field of the Commission's activities and, where possible, to avail itself of the assistance of such bodies;

"(d) to appoint technical standing research committees to consider problems in particular fields of research;

"(e) to appoint, with the approval of the Commission, *ad hoc* research committees to deal with special problems;

"(f) to make to each session of the Commission a report of its activities."

There was considerable discussion among the delegations as to the most effective way of constituting the Research Council, particularly as to: (1) whether any members of the Research Council should serve on a full-time basis, and if so, how many; (2) what should be the relationship of full-time members of the Council, including the deputy chairman, to the Council, the Commission, and the secretary general; and (3) whether the research staff should have its headquarters in the same place as the Commission secretariat.

The decisions finally reached on these questions represent a workable compromise of the views presented, one which it is believed will achieve objectivity in research and, at the same time, integration of research with the other work of the Commission.

*The South Pacific Conference.* The delegations were unanimously agreed that some means should be provided for associating the peoples of the South Pacific with the work of the Commission. In this regard Ambassador Butler stated early in the Conference that "this program [of the Commission] will be meaningful only if it is geared to meet the needs of the people as they see them. The island peoples must be brought into the program and made to feel a part of it. They must find in it a means of expressing their wishes and aspirations. They must have confidence that it is operating in their best interests".

Different views were expressed as to the best method of accomplishing this objective. One suggestion was that representatives of the territories be appointed as advisers to the commissioners at meetings of the Commission. This was based on the feeling that a conference of peoples in the South Pacific along the lines of the West Indian Conference was not feasible in view of the marked cultural differences of, for example, the Polynesians and Melanesians, and also because of the great distances involved. Another suggestion was that there should be sub-regional conferences.

Both of these suggestions were rejected on the grounds that the peoples would benefit greatly from association with one another, that the Com-



mission would profit by having the views of the peoples themselves as to their needs and ways of meeting them, and that air transportation made such regional conferences feasible.

One delegation urged that periodic conferences be held in which the principal delegates would be representatives of the local inhabitants. Another delegation suggested that official and non-official organizations as well as the inhabitants be permitted to send delegates to the Conference. A compromise was finally worked out wherein the principal delegates would be representatives of the local inhabitants, and official and non-official organizations might be included on the delegations as advisers. This arrangement accords with the "Resolution on Regional Conferences of Representatives of Non-Self-Governing Territories", adopted by the General Assembly on December 14, 1946.

Articles IX, X, XI, and XII provide for the establishment of a South Pacific Conference as an advisory body auxiliary to the Commission. Its function will be to make recommendations to the Commission on matters falling within the Commission's competence. The Conference will be convened within two years after the agreement comes into force and thereafter at intervals not exceeding three years. It will be held in one of the island territories to be decided by the Commission with due regard to the principle of rotation. Although the Commission will approve the agenda and rules of procedure for the conference, the delegates may make recommendations with respect thereto. One of the commissioners of the government in whose territory the Conference is held will serve as chairman. The secretary general will be responsible for the administrative arrangements of the Conference.

The Commission will decide which territories may send delegates to the Conference and the maximum number they may send. In general, there will be at least two delegates from each. "Delegates shall be selected in such a manner as to ensure the greatest possible measure of representation of the local inhabitants of the territory", and in accordance with the territory's constitutional procedure. The delegations for each territory may include as many advisers as the appointing authority considers necessary.

*The Secretariat.* The delegations were in complete accord as to the structure of the secretariat,

and the decisions reached on this subject are set forth in article XIII of the agreement.

The secretariat, which will serve the Commission and its auxiliary and subsidiary bodies, will be under the direction of a secretary general and deputy secretary general appointed by the Commission for a term of five years. These officers and the staff of the secretariat will be international officials appointed primarily for their technical qualifications and personal integrity, due consideration being given to the desirability of appointing local inhabitants and to obtaining equitable national and local representation.

The Conference adopted a resolution urging the participating governments "to permit officers in their own services to be made available to the staff of the Commission on secondment or loan."

*Finance.* The delegations also had little difficulty in agreeing on the financial provisions (article XIV). By taking into account the national income, the prospective national interest in and benefit from the work of the Commission, and the administrative responsibilities in the South Pacific of the respective governments, the delegations agreed to apportion the expenses of the Commission and its auxiliary bodies as follows: Australia, 30 percent; France, 12½ percent; the Netherlands, 15 percent; New Zealand, 15 percent; the United Kingdom, 15 percent; and the United States, 12½ percent. Adjustments in these proportions may be made at any time by agreement of all the participating governments.

The Commission's fiscal year will be the calendar year. The Commission will adopt an annual budget for the administrative expenses of the Commission and its auxiliary bodies. It should be noted that the salaries and other expenses of the commissioners and their immediate staffs will be determined and paid by the governments appointing them.

Pending adoption by the Commission of its first budget, the governments will contribute their respective shares of £40,000 sterling to finance the expenses of the Commission. The Australian and New Zealand Governments, which have undertaken to make preliminary arrangements for the establishment of the Commission, may be reimbursed by the Commission up to £5,000 sterling for



expenses which they incur in this undertaking.<sup>3</sup>

*Relations with other international bodies.* One of the delegations urged that the article in the Caribbean Commission agreement on this point be adopted, thus providing for cooperation by the Commission with the United Nations and appropriate specialized agencies and calling upon the participating governments to undertake consultations with these bodies with a view to defining their future relationship with the Commission. Other delegations concurred in principle with this suggestion but desired to make it clear, as a matter of public information, that the Commission is not an organ of, or in organic relation with, the United Nations, nor is the establishment of such relation compulsory. With these clarifying changes the same language as that in the Caribbean agreement was adopted, and a new paragraph added authorizing the Commission to make recommendations as to the best manner of achieving cooperation with other international bodies (art. XV).

*Headquarters.* There was considerable difference of opinion as to where the permanent headquarters of the Commission should be located. Among the places suggested were Suva, Fiji Islands; Sydney, Australia; and Port Moresby, Papua. Most of the delegations readily agreed that the site should be in one of the non-self-governing territories in the South Pacific, and it became apparent as the discussion proceeded that the delegations were not prepared to select the island or territory in which the site should be located. Therefore, it was decided (art. XVI) that the permanent headquarters should be located within the territorial scope of the Commission; that the Commission may establish branch offices and otherwise provide for carrying out its work at such places as it deems best, either within or outside the region; that the Commission should select the site of its permanent headquarters within six months after the agreement comes into force; and that pending the establishment of its permanent headquarters the Commission would be located temporarily in Sydney, Australia.

*Entry into force.* The agreement will enter into force when the six governments have become parties to it. At the final plenary session of the

Conference, the heads of delegations signed the agreement subject to acceptance by their respective governments. So far as the United States is concerned, Executive approval and Congressional authorization will be necessary for this Government to participate fully in the work of the Commission.

#### Conclusion of Conference

The aims which guided the Conference and the spirit which animated its deliberations were summarized by the Deputy Prime Minister of New Zealand in his closing address as follows:

"We have met here for eight days for the purpose of delineating in words the road along which we think we should travel in order to enable the dependent peoples of the South Pacific to enjoy as their right the freedom which we ourselves enjoy—no more and no less—and to create the foundations of a system which will enable them to exercise their God-given right as progressive peoples, not in tutelage and not in patronage, to play their part in the building of a better world. We have also a duty, a right, and a privilege to work with them in this objective."

The Conference, its task accomplished, was adjourned by Dr. Evatt, who expressed the hope that early action on the agreement would be taken by the various governments so that the Commission could be constituted and set into operation in the near future.

It was generally felt that a workable scheme for intergovernmental cooperation in the South Pacific had been developed and that effective means for consulting the peoples to be served had been provided for. There was also recognition of the fact that the needs of the people which made this Conference necessary still exist; and, as stated by Ambassador Butler in his closing address, "it is to meet these needs that our Governments and the Commission will, in the future, be dedicated".

<sup>3</sup> The Delegations of the U.S., France, and the Netherlands stated that their Governments might not be in a position to authorize reimbursements for expenditures incurred prior to the time when the agreement comes into force.

## THE INTERNATIONAL CHILDREN'S EMERGENCY FUND

by John J. Charnow

*Children have been the most tragic victims of the wholesale destruction of modern war and its inevitable aftermath. Of all the problems confronting the United Nations, the acute needs of children in countries devastated by the war and the serious inadequacy of the facilities currently available to meet these needs has been least subject to debate. The article below discusses the creation of the International Children's Emergency Fund by the United Nations.*

The establishment of the International Children's Emergency Fund last December by the United Nations General Assembly constitutes a highly significant development in the international social field. Structurally, it illustrates the flexibility of the Charter in allowing for the development of new organizational forms to meet emerging needs in the social field. Functionally, it establishes the role of the United Nations beyond that of information, research, and advisory services to what the Temporary Social Commission in its report last June called "practical help" in promoting solutions of international social problems.<sup>1</sup>

In its report recommending the establishment of an International Children's Emergency Fund, the Third Committee of the General Assembly pointed out:

"The children of Europe and China were not only deprived of food for several cruel years, but lived in a constant state of terror, witnesses of the massacre of civilians and of the horrors of scientific warfare, and exposed to the progressive lowering of standards of social conduct. The

urgent problem facing the United Nations is how to ensure the survival of these children. Millions of adults have emerged from the war less fit to meet the grave problems of the day than in 1939. The hope of the world rests in the coming generations. . . . Undernourishment and nutritional and social diseases are rampant among children and adolescents. Infant mortality has doubled or trebled in many areas. Millions of orphans are being cared for under the most deplorable conditions; crippled children in untold thousands are left with the scantiest care or no care at all."<sup>2</sup>

### Steps Leading to the Creation of the Fund

The proposal for the establishment of an International Children's Emergency Fund originated at the Geneva session of the UNRRA Council last August. The impending liquidation of UNRRA operations, of which child feeding constituted an important part, led to the suggestion that the residual assets of UNRRA be utilized for the benefit of children and adolescents, and that to these assets be added gifts from governments, voluntary agencies, individuals, and other sources. Initiative in developing the proposal was taken by Dr. Ludwik Rajchman of Poland, a physician who for 18 years had been Director of the health organization of the League of Nations.

The proposal received unanimous support in the UNRRA Council. The United States representative, C. Tyler Wood, expressed the general sentiment of the Council when he stated:

". . . this proposal is very much in line with what we have all stood for here, namely, that this is not a liquidation of UNRRA, but the chang-

<sup>1</sup> *Journal of the Economic and Social Council*, no. 25, June 13, 1946, p. 364.

<sup>2</sup> *Establishment of an International Children's Emergency Fund, Report of the Third Committee*, doc. A/230, Dec. 9, 1946, pp. 3 and 4.

The Senate Committee on Foreign Relations made public on Feb. 5, 1947 a list of 27 items submitted by the Department of State for Senate consideration. Of the 10 urgent items listed in order of priority, "legislation for Children's Fund from UNRRA liquidation" was listed fifth.

ing of some of its functions, a casting of the mantle, let us say, of UNRRA, or pieces of that mantle, upon others who can carry on and develop, as needs and conditions indicate and require, those fine things which UNRRA began. UNRRA has helped and aided the children of the world to an inestimable degree, and it is a fine thing to consider here the drawing up of plans or a recommendation to the United Nations and its various agencies that plans be drawn up designed to carry on that work."<sup>3</sup>

The UNRRA Council established a Standing Committee to prepare recommendations, in agreement with the Economic and Social Council and after consultation with appropriate specialized agencies of the United Nations and voluntary agencies.

The UNRRA Council action was brought to the attention of the Economic and Social Council at its third session in September 1946 by Director General La Guardia. The Economic and Social Council unanimously passed a resolution recommending that the General Assembly create an International Children's Emergency Fund subject to the control of the Economic and Social Council. The resolution also provided that the Secretary-General prepare for the General Assembly in consultation with the President of the Economic and Social Council, the Director General of UNRRA, and the Standing Committee of UNRRA a draft resolution creating the fund.<sup>4</sup>

Much of the work in preparing the draft resolution was delegated to a committee composed of representatives of Brazil, China, France, Poland, the Union of Soviet Socialist Republics, the United Kingdom, and the United States. When the General Assembly met in October 1946 for the second part of its first session, the Secretary-General's draft resolution creating the International Children's Emergency Fund was referred to the Third Committee (Social, Humanitarian and Cultural Questions). That resolution was considered in some detail in a subcommittee where the chief issues were (1) eligibility of countries for the benefits of the Fund, (2) membership on the Executive Board, and (3) relationship of the U. N. Secretariat to the staff and facilities needed by the Fund.

Following unanimous approval in the Third Committee, the resolution<sup>5</sup> was approved by the

General Assembly on December 11, 1946 under authority of article 55 of the Charter, which provides that the United Nations "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations" shall promote "solutions of international economic, social, health, and related problems". From the point of view of the flexibility of the Charter, it is interesting to note that the International Children's Emergency Fund constitutes the first instance of the creation of a grant-in-aid program for material assistance and an organizational form in the social field not specifically envisaged in the Charter.

#### **Purpose and General Scope of Activities**

The International Children's Emergency Fund is based upon the fundamental concept that primary responsibility for child-welfare programs lies with the national governments. Within each country the responsibility for child welfare rests with the appropriate governmental authorities, voluntary agencies, and individual citizens. The purpose of the International Children's Emergency Fund is conceived of as being essentially one of providing sufficient supplementary assistance, where needed, to make national programs of child welfare a reality.

Assistance from the Fund may be used for extremely broad purposes by governments. The resolution states only that the resources of the Fund are to be used "for the benefit" of children and adolescents and "to assist in their rehabilitation" and "for child health purposes generally".

Despite the broad purposes possible under the Fund, discussions at the UNRRA Council, in the General Assembly, and in the Executive Board of the Fund make clear that certain child-welfare problems, because of their urgency, will have immediate call upon the resources of the Fund. The most urgent problem is that of securing for children at least the minimum nutritional supplement necessary to stave off the worst ravages of malnutrition. The Third Committee in its report to the General Assembly pointed out:

<sup>3</sup> UNRRA Council V, doc. 183, Ad Hoc/P 49, Aug. 16, 1946, pp. 9-10.

<sup>4</sup> Resolution on the International Children's Emergency Fund, doc. E/235, Oct. 9, 1946.

<sup>5</sup> *Journal of the General Assembly*, no. 75, supp. A-64. Add. 1, p. 852-855.



"Tragically enough, the home production from which the bulk of the food must come is manifestly insufficient. . . . A desirable objective for each government is to ensure one square meal a day to children that can be easily reached; i.e., those in schools and institutions and the children of families receiving social security assistance. A meal of 700 calories a day would cost \$20.00 per year per child. As indicated above, much of the food would come from home production, the proportion of the \$20.00 that must be imported from overseas sources varying, from country to country, from one-fifth, to one-third, one-half, or even more. Unless the overseas supplies are secured, it is idle to expect the rising generation to build on a sound foundation the world of tomorrow."<sup>6</sup>

In addition to food, cod-liver oil and medical supplies are greatly needed. Lack of clothing and shoes in some countries constitutes almost as serious a threat to child health as lack of food.

The second urgent problem which has been emphasized is the necessity of aiding in the reestablishment of children's institutions and services destroyed by the war as a matter of prime importance in the rehabilitation of homeless and suffering children.

A third urgent problem which received emphasis is the need for facilities to train the personnel necessary in implementing national programs. Encouragement of the training of personnel for child-health and child-welfare work is an essential part of a children's program in view of the serious personnel shortages resulting from the war. It is hoped that assistance for training fellowships in child health and welfare can be obtained from the Interim Commission of the World Health Organization and from the United Nations Secretariat under the resolution of the General Assembly relating to the United Nations' assumption of certain advisory social-welfare services performed by UNRRA.

The Economic and Social Council resolution limited the scope of the Fund to children and adolescents of countries which were victims of aggression. As a result of United States initiative

<sup>6</sup> *Establishment of an International Children's Emergency Fund, Report of the Third Committee, doc. A/230, Dec. 9, 1946, p. 4.*

<sup>7</sup> *Journal of the General Assembly, no. 75, supp. A-64, Add. 1, p. 852.*

in the Third Committee, the scope of the Fund was broadened to include children of countries receiving UNRRA aid and children in all countries "for child health purposes generally", with high priority to be given to children of countries victims of aggression.<sup>7</sup>

#### Finances

The effective operation of the Fund will be dependent upon the financial resources which will be available. The Executive Board of the Fund has decided not to begin operations before sufficient resources are available to carry on worthwhile projects.

In reviewing the possibilities for financing, from contributions by UNRRA, voluntary agencies, individuals, and governments, the Executive Board of the Fund has reached the conclusion, with reservations expressed by certain members, that the major part of the resources of the Fund must come at first from contributions made directly by governments. The Executive Board has expressed the hope that all nations will contribute, in accordance with their circumstances, and it is expected that nations receiving assistance from the Fund will furnish local supplies and services which they will be able to make available to the Fund.

Voluntary relief agencies, with their own established programs, are not likely to prove a large source of contribution to the Fund. It is hoped that voluntary agencies in each country will be willing to assume such responsibilities for specific parts of the program as may be assigned to them under a coordinated plan.

Committees of the Executive Board of the Fund and the staff of the Secretary-General are exploring other special means of raising funds. It is the policy of the Fund that all fund-raising activities will be planned and carried out by appropriate organizations in each country, with the consent of the government concerned, and will not be undertaken directly by the Fund. Thorough and long-range planning, with the full cooperation of existing voluntary agencies, is recommended by the Fund before appeals are launched within any country, in order not to disturb the present and future work of various voluntary relief agencies.

The Fund now has \$550,000 made available by UNRRA from the Emergency Food Collection, to which voluntary agencies and private individuals had contributed in the summer of 1946. These



funds are available only for food, and no part of them can be used for administration. In addition, arrangements have been made with UNRRA for the loan of 12 to 20 members of its staff to work with the Fund until June 30, 1947. UNRRA is also prepared to provide other services and facilities, including office space.

It is not possible at the present time to estimate the amount of money, if any, which will be available from UNRRA assets after UNRRA operations are terminated. Such funds probably will not be available before the end of 1947.

The Fund has estimated that to bring the standards for children of war-affected countries to a pre-war level in food and to provide clothing, shoes, and other supplies would cost a very large sum, perhaps several billion dollars. Estimates indicate that at least 30,000,000 children are in need in European countries and an equal or greater number in China and the Philippines. The Fund has reached the conclusion, therefore, that it can cover only a part of the need and has set a goal of \$450,000,000.

Of this amount, \$400,000,000 will be needed for supplementary feeding of 700 calories a day to infants, children, and expectant and nursing mothers. At an estimated average cost of 6¢ a person a day, or \$20 a year, approximately 20 million persons could be fed. The food to be provided from overseas would be mainly the kind of greatest importance to children, such as milk, cod-liver oil, and certain high-protein foods not available in sufficient quantities from the basic ration.

It is estimated that approximately one third of the children reached will need clothing, estimated at \$6 a year for each child to supply a pair of shoes, warm stockings, and an overcoat or warm jersey. Medical supplies and certain other items would also be required. The total cost for clothing, shoes, and other items is estimated at \$50,000,000.

It is hoped that of the total estimated budget \$200,000,000 will be forthcoming from governments of recipient countries in the form of local foodstuffs, transport, warehousing, and other services. It is hoped that \$200,000,000 will be forthcoming from donor governments and \$50,000,000 from voluntary contributions.

#### **Relationship to Basic Relief Programs**

The Fund has recognized that supplying sufficient assistance to enable countries to provide a basic ration of 2,300 calories for all persons (as

estimated in the report of the United Nations Special Technical Committee on Relief Needs After Termination of UNRRA)<sup>\*</sup> is of vital importance. The Fund does not intend to duplicate any assistance provided under bilateral relief programs. Its operations, as a matter of fact, would be greatly handicapped if food imports sufficient to maintain a basic ration were not available.

#### **Administration**

The Executive Director of the Fund, Maurice Pate, was appointed on January 8, 1947 by the Secretary-General of the United Nations after consultation with the Executive Board of the Fund. Mr. Pate, an American businessman, was wartime director of the Prisoners of War Relief Section of the American Red Cross and accompanied Herbert Hoover on his missions to Europe after both World Wars.

Mr. Pate will administer the Fund under policies, including the determination of programs and the allocation of funds, established by a 25-nation Executive Board. The composition of the Executive Board, which the United States originally had suggested be limited to the 18 countries members of the Social Commission of the Economic and Social Council, was expanded by the General Assembly resolution to include the four countries of the UNRRA Standing Committee on Children which are not members of the Social Commission and, in addition, Argentina, the Byelorussian Soviet Socialist Republic, and Sweden.<sup>9</sup> On recommendation of the Board, the Economic and Social Council may designate other governments as members of the Board. Membership may be changed by the General Assembly, on recommendation of the Economic and Social Council, at any time after the first three years of the Fund's existence. As occasions arise the Board may invite representatives of specialized agencies for consultation. The Chairman of the Board, elected unanimously, is Dr. Rajchman of Poland. Miss Kath-

<sup>\*</sup> A/Conf/Relief/1, Jan. 24, 1947, p. 8.

<sup>9</sup> The nations represented on the Executive Board are: Argentina, Australia, Brazil, Byelorussian Soviet Socialist Republic, Canada, China, Colombia, Czechoslovakia, Denmark, Ecuador, France, Greece, Iraq, Netherlands, New Zealand, Norway, Peru, Poland, Sweden, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States, and Yugoslavia. The addition of Switzerland has recently been recommended to the Economic and Social Council (*ibid.*, p. 853).

arine F. Lenroot, Chief of the U.S. Children's Bureau, Federal Security Agency, was designated as United States representative on the Board in view of her outstanding ability and distinguished international reputation in the field of social welfare.

A program committee of the Executive Board has been established composed of the Governments of Brazil, Canada, China, France, Norway, Poland, the United Kingdom, the United States, and the Union of Soviet Socialist Republics. Among its functions, the Committee has the task of reviewing the needs of governments which may be applicants for assistance from the Fund, and of making reports to the Board as to the programs which will be required.

Although established by the General Assembly and having its activities subject to review by the Assembly, the International Children's Emergency Fund is more closely linked to the Economic and Social Council than to the General Assembly. The resolution provides that the policies established by the Board must be in accordance with such principles as may be laid down by the Economic and Social Council and its Social Commission.

At its recently concluded first session, the Social Commission developed certain principles of operation for the Fund which it recommended that the Economic and Social Council adopt. These relate to priorities as to types of assistance to be given by the Fund; the development of emergency measures in such a manner as to strengthen the permanent child-health and child-welfare programs; the relations of the Fund with other relief programs and with other United Nations activities; the relations of the Fund with governments; the provision of a technical staff to assure effective operation of the Fund; the information to be required from governments submitting proposals; and the submission of reports by the Fund to the Economic and Social Council.<sup>10</sup> These suggested principles will undoubtedly be considered by the Economic and Social Council at its fourth session currently in progress.

The General Assembly resolution establishing the Fund provides that staff and facilities required for the administration of the Fund shall be provided by the Secretary-General without charge

<sup>10</sup> *Social Commission, General Report*, doc. E/260, Feb. 11, 1947, pp. 12-13.

so long as these can be provided from the established services of the Secretariat and within the limits of the United Nations budget. If additional funds are necessary, money for such purposes shall be provided by the Fund. As has been noted above, the Fund is also authorized to utilize staff and facilities from UNRRA. The effect of these provisions is to establish the operations of the Fund within the framework of the United Nations, with the Executive Director functioning within the United Nations on administrative matters but being responsible to the Executive Board on policy questions.

The Board of the Fund contemplates inviting representatives of specialized agencies for consultation and utilizing the staff and technical assistance of the specialized agencies, particularly the World Health Organization, to the maximum extent feasible.

Headquarters of the Fund have been established at Lake Success; an office is also maintained in Washington.

#### **Safeguards and Requirements**

Proposals from governments must give assurances that provision will be made for equitable and efficient distribution of assistance on the basis of need, without discrimination because of race, creed, nationality status, or political belief, and that reports will be made for such periods and contain such information as the Fund may require. It is contemplated by the Fund that the governments will submit evidence of need, including information on production and import programs, deficits, assistance available from foreign sources, the state of health, nutrition, and welfare of the children, the channels for distribution of supplies, the availability of institutions and agencies for children, both official and voluntary, and the provisions for the coordination of the services of all agencies utilized in the program. With the assistance of its technical personnel and its program committee, the Executive Board will screen, analyze, and pass on requests for assistance. If requests exceed the amounts available, priorities will necessarily have to be established by the Board on the basis of the greatest need. Representatives of the Fund will probably be assigned to each recipient country to consult with the government, to act as liaison with the headquarters staff of the Fund, to assure, in

(Continued on page 492)

## DRAFT MEMORANDUM OF AGREEMENT PREPARED FOR INTERNATIONAL WHEAT CONFERENCE

by Francis A. Linville

*The International Wheat Council released on February 19 a draft memorandum on an international wheat agreement and submitted it to interested governments. It will serve as the basis of discussion at an International Wheat Conference which has been called by the Government of the United Kingdom to meet in London on March 18, 1947. The article below discusses the principles embodied in that draft memorandum.*

Maladjustments in the world's wheat economy have long been of concern. At times supplies have been inadequate and consumers have suffered. At other times—and more often during the last few decades—there have been burdensome surpluses, and producers have suffered serious hardships. Because of the large movements of wheat in international trade, difficulties in one country tend to aggravate those in others. Consequently an international commodity agreement has often been suggested as a device to ameliorate these conditions. It has been said that such an agreement could, in particular, bring about greater stability of prices and supplies at desirable levels and that each exporting country could be assured an equitable share of an enlarged world market.

The first international wheat agreement was concluded in 1933, but it soon proved inoperative. Drafting of a new wheat agreement was again the subject of international discussions in 1941-42. A draft convention was drawn up and a memorandum of agreement was signed in 1942 by the United States, the United Kingdom, Canada, Australia, and Argentina. This memorandum was intended to serve as a temporary measure until a full-fledged wheat agreement could be concluded. Last summer the International Wheat Council, which had been established under the memorandum of agreement, was expanded to include 13 countries with

an important interest in the international wheat trade, and another effort was begun to work out the basis of a wheat agreement. After lengthy consideration of the problem, the Council concluded that the understanding it had reached was sufficient to justify the calling of an international wheat conference at an early date.<sup>1</sup> As an aid to interested governments in preparing for the forthcoming discussions in London and to assist the conference in its work, an annotated agenda has been prepared in the form of a draft international wheat agreement.<sup>2</sup> This draft is not binding on the governments concerned; the United States would participate in such an agreement only after approval by the Congress.

The Council has endeavored to embody in the draft memorandum those principles for commodity agreements recommended by the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment held in London last fall, as well as relevant recommendations of the Preparatory Committee of the Food and Agriculture Organization, which concluded its discussions in January 1947.

<sup>1</sup> BULLETIN of Feb. 9, 1947, p. 250.

<sup>2</sup> Invitations to the Conference have been sent to countries which are members of the United Nations, to such other countries as are members of the Food and Agriculture Organization, and to those two organizations themselves.



### Objectives

The objectives of the agreement as stated in the draft are as follows: (1) to promote stability of wheat prices at levels fair to both consumers and producers; (2) to assure adequate supplies at all times, in part by establishing wheat reserves through national holdings to be available in lean years; (3) to avoid the accumulation of burdensome surpluses; (4) to provide security for efficient producers and encourage the use of areas unsuited to wheat production for more suitable products; (5) to increase opportunities for satisfying world requirements from those sources which can supply them most effectively; and (6) to promote increased wheat consumption.

### Membership

The draft agreement provides that any country having a substantial interest in international trade in wheat might become an initial signatory of the agreement and that other countries might accede to the agreement on conditions agreed with the Council.

### Effective Date

The agreement would come into force on August 1, 1947 if the four major exporting countries, together with importing countries (including the United Kingdom) having imports totaling 400 million bushels, had joined, or, alternatively, if any three of the major exporters and six importers (including the United Kingdom) with imports sufficient to insure satisfactory operation of the agreement had joined.

### Duration and Review

The agreement would remain in force for four or five years. After two and a half years the Council would examine the desirability of modifying the agreement. Amendments could be approved by vote of the Council. Six months before its termination date the desirability of extending the agreement would be considered by the Council.

### Withdrawal

A country might withdraw from the agreement as a result of the outbreak of hostilities and possibly if the number of countries adhering to the agreement was inadequate.

### Prices

Three alternatives regarding price are suggested for consideration by the Conference (all prices are

in Canadian dollars per bushel for no. 1 Manitoba Northern wheat in store at Fort William - Port Arthur or Vancouver):

Proposal A. \$1.25 to \$1.55

Proposal B. \$1.25 to \$1.55 for three years and \$1.00 to \$1.55 for the remainder of the period of the agreement

Proposal C. \$1.25 to \$1.80 for three years, and \$1.00 to \$1.25 for the remainder of the period

Price equivalents for the major exporters would be determined by the Conference and adjusted whenever necessary by the Executive Committee to keep them in proper relation with the basic prices. It is estimated that at present the \$1.25 to \$1.55 range mentioned would result in the following prices, United States currency:

No. 2 Hard Winter wheat in store at Kansas City, \$1.16 to \$1.46

No. 1 Heavy Dark Northern Spring wheat at Duluth, \$1.25 to \$1.55

### Stocks

Participating countries would agree to keep their crop-year-end stocks within maximum and minimum ranges. When an exporting country reached its maximum stock, importing countries could be called upon to accumulate stocks. Exceptions could be made in the case of importing countries suffering from foreign-exchange difficulties. Those stocks would have to be held by the importers until prices rose to an agreed percentage of the ceiling level. Stocks could fall below the agreed minima when additional wheat was badly needed for consumption.

### Export Programs

Under certain conditions, after estimates had been made of total import demand for the year, annual export programs would be established for exporting countries. Minimum export allowances for the four major exporters of up to 500 million bushels (40 percent of this amount for Canada, 25 percent for Argentina, 19 percent for Australia, and 16 percent for the United States) and such amounts as might be agreed upon for other signatory exporters would have the first claim on the trade in wheat. In determining the distribution among exporters of any additional quantities of wheat which the world market would absorb, the Council would be guided by all rele-



vant considerations. These would include (1) the principle that importing countries should get an equitable share of the market, (2) opportunities of supplying requirements from most efficient sources, (3) stock position of signatory exporters, and (4) foreign-exchange position of importers.

In time of scarcity, export programs could be used to secure equitable distribution among signatory importing countries.

#### **Basic Import Requirements**

Basic import requirements would be established for each member importing country. Each would agree to purchase at least such a quantity from member exporters. Unless the Council should decide otherwise, these importing countries would have first refusal on all wheat offered for export by member countries.

#### **Production**

Production should be controlled so that crop-year-end stocks would be within the agreed range. If the stocks of any country should exceed the maximum figure, that country would be expected to dispose of the surplus internally or make it available for sale at such special prices and on such other conditions as might be approved by the Council.

Importing countries would agree (1) to import agreed minimum quantities, (2) to limit prices paid for their home-grown wheat, or (3) to limit their domestic production. This procedure would assure exporting countries of larger markets and would help to limit production in high-cost areas.

#### **Sales at Special Prices**

Special price sales to dispose of excess stocks might be made to governments which have undertaken to use such wheat for nutritional programs approved by the Food and Agriculture Organiza-

tion. The cost of making wheat available at special prices would be borne by each exporting country on its own sales. This cost would not be recovered by transferring any of the burden to the price of commercial exports. Importing countries receiving wheat at special prices would agree (1) not to export wheat, (2) to permit the sale of such wheat only to the beneficiaries of the nutritional programs, (3) to pass on the full benefit of the lower price to these beneficiaries, and (4) to maintain their basic imports at commercial prices.

#### **Organizational Machinery**

The agreement would be administered by a council. Each signatory country would have one member. The Food and Agriculture Organization and the proposed International Trade Organization would have non-voting membership. The total votes of exporting countries would equal those of importing countries. The Council would cooperate with whatever organization may be established by the United Nations to coordinate the work of the International Wheat Council and other commodity councils.

An Executive Committee would be established by the Council to adjust export programs and equivalents of basic prices and to carry out other functions delegated to it by the Council.

An Advisory Committee has also been suggested. It would advise the Council on such matters as prices, stocks, export programs, and import requirements.

It will be noted that the draft prepared by the International Wheat Council proposes alternative solutions of certain problems and that some other issues are not dealt with by the draft.

These matters and, in fact, the whole subject of a wheat agreement are now under careful study by the Government of the United States in preparation for the forthcoming conference in London.

## THE UNITED NATIONS

### The Goal of Collective Security

BY WARREN R. AUSTIN<sup>1</sup>

The preservation of peace cannot be assured by the United States alone. The will and strength of all the other members of the United Nations—especially the greatest nations—are also necessary.

Nevertheless, because of the great power and influence of the United States, it is true that we can do more than any other nation to decide the outcome.

The central fact, of which Americans must never lose sight, is this: The United States, with half the productive power of the world, has decisive power either to create the conditions of permanent peace or to permit the balance to be tipped in favor of war. What we do or fail to do determines to a large extent whether other nations move rapidly toward political and economic stability and democratic achievement or flounder in the disaster and despair that lead to fanaticism and war.

What, then, are some of the policies the United States must pursue in relation to the United Nations in order to attain the goal of collective security?

First: We must make clear that we are ready at all times to support the law of the Charter—by force if necessary—in accordance with our obligations.

Second: We must use to the full, and with patience, all the processes of conciliation and organized cooperation established by the United

Nations. We must seek constantly for better understanding with all our Allies. Whatever others do, we must seek always to avoid hysteria and recrimination. We do not need to fear anybody. We must seek by our policies to remove fear in others and replace it by confidence.

Third: We must maintain our own economic strength and help restore economic strength to those parts of the world left weakened by the war and therefore an easy prey to some future aggressor. This means a businesslike investment of American capital, a firm adherence to the policy of reducing barriers to an expanding world trade, and, for this year at least, continued direct relief to some countries. An enlightened economic foreign policy will increase prosperity in the United States as much as in any other country. Collective security can *never* be realized without such a policy on our part.

Fourth: We must maintain our military establishment, not for purposes of domination but in order to be able to back up our commitments in support of collective security under the United Nations. This means that we must not engage in any unilateral disarmament by hasty and ill-considered reductions in our armed forces or in our budget for national defense. It also means establishment of a universal military training system that would provide the necessary reserves of skilled manpower trained in the complicated techniques of modern warfare. If we were ever called upon to join in collective action against a major aggressor, we would not have the two years of grace we were given in the last war. We should

<sup>1</sup> Excerpts from an address delivered before the Overseas Press Club, New York, N. Y., on Mar. 4, 1947, and released to the press by the U.S. delegation to the United Nations on the same date. Mr. Austin is U.S. Representative at the seat of the United Nations.

have to act with decisive force at once and with men already trained. Peacetime universal military training in the United States is not in conflict with the ultimate goal of world disarmament. Nor is the strategic trusteeship proposed by the United States for the former Japanese Mandated Islands in conflict with the goal of collective security. On the contrary, at the present stage of the development of the United Nations both would contribute to progress toward these goals because both would add to the strength the United States can contribute to collective security and collective control of armaments and armed forces.

Fifth: We must stand firm in support of an effective and enforceable system of international control of atomic energy and of other major weapons adaptable to mass destruction. We must keep trying with patience and firmness to reach agreement with the Soviet Union on this matter. I believe that sooner or later we will reach agreement. It is just as much in the vital interest of the Soviet Union as it is of ourselves to establish a system of control that would fully safeguard complying states from the hazards of violations and evasions. Such a system would require greater delegations of national sovereignty to international authority than either of our nations has previously been willing to give. But without such a system neither one of us would in the long run be able to safeguard our independence or our respective ways of life from the destructiveness of another war.

Sixth: We must apply comparable principles of effective international control to the so-called "conventional" armaments and armed forces so that they too can be reduced in such a way as to safeguard all states against violations and evasions.

Seventh: We must press for completion of the special agreements called for by the Charter that would provide the Security Council with peace forces to enforce its decisions.

Eighth: We must lend our full support to the development and application of international law, particularly the laws against war which have been for the first time enforced against individuals by the Nürnberg and Far Eastern tribunals. The increasing application of international law di-

rectly to individuals is of importance to the prevalence of peace.

The problem of building collective security has two inseparable parts: We have to take every measure that lies within our power to remove the fundamental causes of war and to establish conditions of mutual understanding and confidence and economic well-being. Simultaneously we must maintain a suitable military posture to support collective action under the Charter.

At the present time special hazards to peace call for special effort toward collective security.

Looking forward to the fulfilment of our mission in the United Nations, we are determined to maintain American military and economic strength adequate to meet all our needs and obligations.

## Confirmations to the United Nations

On March 5, 1947 the Senate confirmed the nomination of Warren R. Austin to be the Representative of the United States of America on the United Nations Commission for Conventional Armaments.

## Appointments to U.N.

The Acting Secretary of State announced on March 5 the following appointments:

Frederick H. Osborn as deputy to the United States Representative on the United Nations Atomic Energy Commission. In this capacity Mr. Osborn will assist Warren R. Austin in carrying out his responsibilities as the United States Representative on the Commission.

John C. Ross as Deputy to the United States Representative at the seat of the United Nations. In this capacity Mr. Ross will assist Warren R. Austin in carrying out his responsibilities as the United States Representative.

Dean Rusk as Director of the Office of Special Political Affairs, the branch of the Department of State which deals with United States participation in the United Nations.



## Proposal by the U.S. Government for a United Nations Scientific Conference on Resource Conservation and Utilization<sup>1</sup>

### NOTE BY THE SECRETARY-GENERAL

1. The provisional agenda of the Council (E/256) contains an item, held over from the third session, relating to the proposal from the United States of America that a scientific conference be held in that country to consider the conservation and effective utilization of natural resources.

2. The conference was proposed in a letter from the United States representative to the Acting President of the Council dated 14 September 1946 (E/139).<sup>2</sup> It was accompanied by a draft resolution recognizing the war's drain on natural resources, their importance to the reconstruction of devastated areas and the need for continuous development of the techniques of resource conservation and utilization, and proposing the establishment of a Preparatory Committee to prepare and carry through the conference. A letter to the United States representative from the President of the United States expressing his hopes for the approval of the proposed conference by the Council was also appended, together with a tentative programme prepared by the departments of the United States Government concerned with resources.

3. The Council decided to retain the item on the Agenda but to postpone decision on the proposal until the fourth session of the Council, so that the interim period could be used for consultations among the member governments, specialized agencies concerned and the Secretariat.

4. The Secretary-General on 5 December 1946, sent to all Governments of the United Nations and to the specialized agencies concerned a letter calling their attention to the proposed scientific conference on resource conservation and utilization, and offering his services to assemble any comments they cared to make. (Annex I.)<sup>3</sup>

5. As of 5 February 1947, the following seventeen Governments and also the Food and Agriculture Organization and the International Bank for Reconstruction and Development had acknowledged receipt of the Secretary-General's letter:

Afghanistan	Luxembourg
Australia	Mexico
Canada	New Zealand
China	Norway
Colombia	Philippines
Dominican Republic	United Kingdom
Ecuador	United States
El Salvador	Venezuela
India	

6. The Governments of India, China, Norway and Australia, in addition to acknowledging the letter, also indicated their support of the United States proposal to hold the conference. The Government of Australia agreed that a United Nations Conference of the kind proposed by the Government of the United States of America be convened and made several suggestions related to organization and scope of such a conference. The full text of the Australian letter is attached as Annex II.

7. The Government of Canada in its letter to the Secretary-General expressing its preliminary views on the United States proposal, stated that:

"... the Canadian Government is unable to give its full support to the suggestion for a conference of this nature. However, provided the conference was held with the definite intention that no explicit programme of government action be sought, it might be a useful means of stimulating conservation efforts in many fields and in many different countries."

The full text of the letter is attached as Annex III.

8. The Government of the United Kingdom informed the Secretary-General that:

"... in view of the heavy programme of international conferences arranged for the current year,

<sup>1</sup> Economic and Social Council doc. E/279, Feb. 25, 1947.

<sup>2</sup> BULLETIN of Oct. 6, 1946, p. 623.

<sup>3</sup> Annexes I, II, and III to this document are not printed.



His Majesty's Government in the United Kingdom would suggest that the consideration of the possibility of holding such a conference be deferred until next year."

9. The International Bank stated it would welcome the opportunity to attend such a conference. The Food and Agriculture Organization, besides expressing its deep interest in the proposal and its readiness to co-operate, referred to its ex-

perience in the matter of holding such conferences, observing that in order to overcome unwieldiness, it has been found desirable by the Food and Agriculture Organization to call meetings on separate subjects or small groups of allied subjects, and, on each of these, to hold preparatory meetings on specific aspects before the whole subject is examined at a world conference.

## ADDENDUM TO PROPOSAL BY THE U. S. GOVERNMENT FOR A U. N. SCIENTIFIC CONFERENCE ON RESOURCE CONSERVATION AND UTILIZATION<sup>1</sup>

### Note by the Secretary-General

Since document E/279 was prepared, the Secretary-General has received from the Government of the United States an amendment to its proposal for an international resource conference (E/139) made at the third session of the Council in September 1946. The communication from the United States is attached as Annex IV to document E/279.

### Annex IV

*A letter from the Deputy United States Representative on the Economic and Social Council dated 20 February 1947, addressed to the Secretary-General of the United Nations concerning the United States proposal for a United Nations scientific conference on resource conservation and utilization*

The Deputy United States Representative on the Economic and Social Council presents his compliments to the Secretary-General of the United Nations and has the honour to refer to his note of 5 December 1946, inviting written observations from Member Governments and Specialized Agencies regarding the proposal by the United States Government for a Conference on Resource Conservation and Utilization.

The Deputy United States Representative has the honour to advise that the Government of the United States is of the view (which it expressed in proposing that such a conference be called by the Economic and Social Council) that the Conference should be held preferably during the second half of 1947; nevertheless, if other general considerations make more appropriate the scheduling of the conference early in 1948, the United States Gov-

ernment would not object to such a postponement.

The Government of the United States wishes to amend in two respects the agenda which it submitted for the proposed conference, as follows:

1. Delete from Part III, Problems of Energy Resources, the item "major economic uses of atomic energy, by areas, based on varying assumption of production cost". The consideration of peacetime as well as military applications of atomic energy is assigned to the Atomic Energy Commission. Under these circumstances, the item should be eliminated from the agenda of the proposed conference.

2. Add to Part I, the Problems of Renewable Resources, the items relating to irrigation problems set forth in the attached list. These items are closely connected with the subject of resource conservation, and their inclusion in the agenda of the proposed conference would obviate the need of a separate conference on irrigation matters.

### *Suggested Agenda on Irrigation*

1. Stabilization of basic parts of national economies through irrigation and reclamation.
2. Increased production of crops, livestock, and livestock products through irrigation applied to arid, semi-arid, and semi-humid lands.
3. Irrigation as a means for promoting conservation.
4. Scientific and engineering techniques as applied to irrigation and reclamation.

<sup>1</sup> Economic and Social Council doc. E/279/Add. 1, Feb. 28, 1947.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*<sup>1</sup>

<b>In Session as of March 9, 1947</b>		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	Nov. 10
Economic and Social Council (ECOSOC):		<b>1947</b>
Subcommission on Economic Reconstruction of Devastated Areas: Working Group for Asia and the Far East.	Lake Success . . . . .	Feb. 14-Mar. 7
Fourth Session . . . . .	Lake Success . . . . .	Feb. 28
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
PICAO:		<b>1947</b>
Interim Council . . . . .	Montreal . . . . .	Jan. 7
Air Transport Committee: Sixth Session . . . . .	Montreal . . . . .	Jan. 13
Airworthiness Division . . . . .	Montreal . . . . .	Feb. 20
Airline Operating Practices Division . . . . .	Montreal . . . . .	Feb. 25
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels . . . . .	Jan. 29
International Court of Justice . . . . .	The Hague . . . . .	Feb. 10
FAO Executive Committee . . . . .	Rome . . . . .	Mar. 3-8
ILO Preparatory Meeting of Statistical Experts . . . . .	Montreal . . . . .	Mar. 4-10
<b>Scheduled for March-May 1947</b>		
Council of Foreign Ministers . . . . .	Moscow . . . . .	Mar. 10
ILO:		
Committee on Social Policy in Dependent Territories . . . . .	London . . . . .	Mar. 17-22
Committee of Experts on the Application of Conventions . . . . .	Geneva . . . . .	Mar. 24-29
Industrial Committee on Coal Mining . . . . .	Geneva . . . . .	Apr. 23
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 6
International Wheat Conference . . . . .	London . . . . .	Mar. 18
United Nations:		
Trusteeship Council . . . . .	Lake Success . . . . .	Mar. 26
Meeting of Experts on Passport and Frontier Formalities . . . . .	Geneva . . . . .	Apr. 14
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 1-28 (tentative)
World Health Organization (WHO): Third Session of Interim Commission.	Geneva . . . . .	Mar. 31

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

## Calendar of Meetings—Continued

Interparliamentary Union: 36th Plenary Session . . . . .	Cairo . . . . .	April 7
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
UNESCO: Executive Board . . . . .	Paris . . . . .	Apr. 10-12
International Red Cross Committee. . . . .	Geneva . . . . .	Apr. 14-26
PICAO: European-Mediterranean Special Air Traffic Control Conference.	Paris . . . . .	Apr. 15
International Refugee Organization (IRO): Second Part of First Session of Preparatory Commission.	Geneva . . . . .	Apr. 15 (tentative)
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
FAO: International Timber Conference . . . . .	Marianske-Lazne, Czechoslovakia.	Apr. 28
International Meeting of Marine Radio Aids to Navigation . .	New York and New London.	Apr. 28-May 9
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris . . . . .	April (tentative)
International Civil Aviation Organization (ICAO): First Meeting of General Assembly.	Montreal . . . . .	May 6
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 6
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal . . . . .	May
International Emergency Food Council (IEFC): Fourth Meeting.	Washington . . . . .	May (tentative)

## Activities and Developments »

### U. S. EXTENDS INVITATIONS FOR IMO MEETING

[Released to the press March 6]

The Departments of State and Commerce announced on March 6 that invitations have been extended to 53 nations to designate an official delegation or an observer to the Conference of Directors of the International Meteorological Organization (IMO), which will be held at Washington, D.C. from September 22 to October 7, 1947. Invitation is being extended to the following governments having a meteorological service affiliated with the International Meteorological Organization: Argentina, Australia, Belgium, Bolivia,



#### ACTIVITIES AND DEVELOPMENTS

Brazil, Burma, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland, India, Iraq, Ireland, Italy, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Nicaragua, Panama, Paraguay, Peru, the Republic of the Philippines, Poland, Portugal, Rumania, Siam, Sweden, Switzerland, Turkey, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom, Uruguay, Venezuela, and Yugoslavia.

The membership of these Conferences is composed of the meteorological directors of the official weather services or meteorological institutions. The meetings have been held at intervals of about six years, the last regular meeting having been held at Warsaw in 1935. The Conference scheduled for 1941 was canceled because of the war, and an extraordinary meeting was held at London in February and March 1946. The primary aim of these Conferences is to reach international agreement on methods of observing, reporting, recording, and forecasting the weather for all purposes.

Prior to the Conference of the Directors of the International Meteorological Organization, meetings of the Technical Commissions of the IMO will be held at Toronto, Canada, from August 4 to September 13. Convening September 8, Regional Commissions 3 (South America) and 4 (North and Central America) will also be meeting in Toronto.

The Washington Conference of the Directors of the IMO will make final decisions on recommendations coming from Toronto meetings of the Commissions, and it will also consider various other questions of practical international application on meteorology.

It is believed that the mutual exchange of ideas among outstanding professional leaders in the field of meteorology will facilitate the dissemination of vital technical information throughout the world.

Explaining the significance of the meetings to all parts of the national and international economy, F. W. Reichelderfer, Chief of the Weather Bureau, Department of Commerce, said:

"Weather, as everyone knows, moves from place to place without regard to national boundaries. The reporting and forecasting of weather therefore depends to a large extent on the rapid exchange of information between countries. Weathermen, more than any other class of people, have been able to break down language barriers. This is done by means of simple but efficient coding systems.

"Thus, a weather report coded in figures in Africa, Russia, or China is as readily understood by weathermen in India or Argentina. Now and then, however, because of the changes in instruments and methods of observations, it is necessary to make changes in this International Code and weather language. These and other matters must be reconsidered in relation to the needs of ships at sea, aircraft, agriculture, business, and industry, internationally and nationally.

"Meetings of the International Meteorological Organization have been held at intervals of about six years since 1878. The last regular meeting was held at Warsaw in 1935. The meeting scheduled for 1941 was omitted because of the war, and an extraordinary meeting was held in London in February and March of 1946. The United States and Canada meetings will mark the first time the IMO has held a meeting outside of Europe.

"Weather observations in most national observation networks are now taken at the same instant of time in order to obtain a simultaneous picture of the over-all weather situation. This results in the United States, for example, in taking a morning observation at all eastern points at 7:30 Eastern Standard Time, at Mississippi Valley and Great Plains points at 6:30 Central Time, in the Rocky Mountain region at 5:30 Mountain Time, and in the Pacific states at 4:30 Pacific Time.

"In Russia and Siberia, however, observations are taken at a specified hour in local time, with the result that these observations over the whole of that country are not simultaneous. When Russia enters the world-wide system of 'same instant' observations the role of the meteorologist in most other countries will be made easier."

## THE RECORD OF THE WEEK

### Peace, Freedom, and World Trade

#### ADDRESS BY THE PRESIDENT<sup>1</sup>

It is with a real sense of gratification that I meet with you today on the beautiful campus of Baylor University in Waco. I congratulate you on the outstanding achievements of this great university during the 101 years of its existence. I am sincerely grateful for the degree of Doctor of Laws that you have bestowed upon me, and I am honored to become a fellow alumnus of the distinguished men and women of this institution who have contributed so much to make our country great.

At this particular time, the whole world is concentrating much of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective—reestablishment of world trade. In fact the three—peace, freedom, and world trade—are inseparable. The grave lessons of the past have proved it.

Many of our people, here in America, used to think that we could escape the troubles of the world by simply staying within our own borders. Two wars have shown us how wrong they were. We know today that we cannot find security in isolation. If we are to live at peace, we must join with other nations in a continuing effort to organize the world for peace. Science and invention have left us no alternative.

After the first World War, the United States proposed a League of Nations, an organization to maintain order in the world. But when our pro-

posal was accepted and the League was established, this country failed to become a member.

Can any thoughtful person fail to realize today what that mistake cost this nation and cost the world?

This time we are taking a different course. Our country has taken a leading part in building the United Nations, in setting up its councils, its committees and commissions, and in putting them to work. We are doing everything within our power to foster international cooperation. We have dedicated ourselves to its success.

This is not, and it must never be, the policy of a single administration or a single party. It is the policy of all the people of the United States. We in America are unanimous in our determination to prevent another war.

But some among us do not fully realize what we must do to carry out this policy. There still are those who seem to believe that we can confine our cooperation with other countries to political relationships; that we need not cooperate where economic questions are involved.

This attitude has sometimes led to the assertion that there should be bipartisan support for the foreign policy of the United States, but that there need not be bipartisan support for the foreign *economic* policy of the United States.

Such a statement simply does not make sense.

Our foreign relations, political and economic, are indivisible. We cannot say that we are willing to cooperate in the one field and are unwilling to cooperate in the other. I am glad to note that leaders in both parties have recognized that fact.

The members of the United Nations have renounced aggression as a method of settling their

<sup>1</sup> Delivered at Baylor University, Waco, Tex., on Mar. 6, 1947 and released to the press by the White House on the same date.

political differences. Instead of putting armies on the march, they have now agreed to sit down around a table and talk things out. In any dispute, each party will present its case. The interests of all will be considered, and a fair and just solution will be found. This is the way of international order. It is the way of a civilized community. It applies, with equal logic, to the settlement of *economic* differences.

Economic conflict is not spectacular—at least in the early stages. But it is always serious. One nation may take action in behalf of its own producers, without notifying other nations, or consulting them, or even considering how they may be affected. It may cut down its purchases of another country's goods, by raising its tariffs or imposing an embargo or a system of quotas on imports. And when it does this some producer in the other country will find the door to his market suddenly slammed and bolted in his face.

Or a nation may subsidize its exports, selling its goods abroad below their cost. When this is done, a producer in some other country will find his market flooded with the goods that have been dumped.

In either case, the producer gets angry, just as you or I would get angry if such a thing were done to us. Profits disappear; workers are dismissed. The producer feels that he has been wronged, without warning and without reason. He appeals to his government for action. His government retaliates, and another round of tariff boosts, embargoes, quotas, and subsidies is under way. This is economic war. In such a war nobody wins.

Certainly nobody won the last economic war. As each battle of the economic war of the thirties was fought, the inevitable tragic result became more and more apparent. From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany. Nations strangled normal trade and discriminated against their neighbors, all around the world.

Who among their peoples were the gainers? Not the depositors who lost their savings in the failure of the banks. Not the farmers who lost their farms. Not the millions who walked the streets looking for work. I do not mean to say

that economic conflict was the *sole* cause of the depression. But I do say that it was a *major* cause.

Now, as in the year 1920, we have reached a turning point in history. National economies have been disrupted by the war. The future is uncertain everywhere. Economic policies are in a state of flux. In this atmosphere of doubt and hesitation, the decisive factor will be the type of leadership that the United States gives to the world.

We are the giant of the economic world. Whether we like it or not, the future pattern of economic relations depends upon us. The world is waiting and watching to see what we shall do. The choice is ours. We can lead the nations to economic peace or we can plunge them into economic war.

There must be no question as to our course. We must not go through the thirties again.

There is abundant evidence, I think, that these earlier mistakes will not be repeated. We have already made a good start. Our Government has participated fully in setting up, under the United Nations, agencies of international cooperation for dealing with relief and refugees, with food and agriculture, with shipping and aviation, with loans for reconstruction and development, and with the stabilization of currencies. And now, in order to avoid economic warfare, our Government has proposed, and others have agreed, that there be set up, within the United Nations, another agency to be concerned with problems and policies affecting world trade. This is the International Trade Organization.

This organization would apply to commercial relationships the same principle of fair dealing that the United Nations is applying to political affairs. Instead of retaining unlimited freedom to commit acts of economic aggression, its members would adopt a code of economic conduct and agree to live according to its rules. Instead of adopting measures that might be harmful to others, without warning and without consultation, countries would sit down around the table and talk things out. In any dispute, each party would present its case. The interest of all would be considered, and a fair and just solution would be found. In economics, as in international politics, this is the way to peace.



The work of drafting a world trade charter was begun by the United States.<sup>2</sup> It was carried forward by a Preparatory Committee of 18 nations meeting in London last fall.<sup>3</sup> It should be completed at a second meeting of this committee in Geneva, beginning on April 10.

The progress that has already been made on this project is one of the most heartening developments since the war.

If the nations can agree to observe a code of good conduct in international trade, they will cooperate more readily in other international affairs. Such agreement will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of the peace.

As a part of this program, we have asked the other nations of the world to join us in reducing barriers to trade. We have not asked them to remove all barriers. Nor have we ourselves offered to do so. But we *have* proposed negotiations directed toward the reduction of tariffs, here and abroad, toward the elimination of other restrictive measures, and the abandonment of discrimination. These negotiations are to be undertaken at the meeting which opens in Geneva next month. The success of this program is essential to the establishment of the International Trade Organization, to the effective operation of the International Bank and the Monetary Fund, and to the strength of the whole United Nations structure of cooperation in economic and political affairs.

The negotiations at Geneva must not fail.

There is one thing that Americans value even more than peace. It is freedom: freedom of worship—freedom of speech—and freedom of enterprise. It must be true that the first two of these freedoms are related to the third. For throughout history freedom of worship and freedom of speech have been most frequently enjoyed in those societies that have accorded a considerable measure of freedom to individual enterprise. Freedom has flourished where power has been dispersed. It has languished where power has been too highly centralized. So our devotion to freedom of enterprise, in the United States, has deeper roots than a desire to protect the profits of ownership. It is part and parcel of what we call American.

The pattern of international trade that is most conducive to freedom of enterprise is one in which the major decisions are made not by governments but by private buyers and sellers, under conditions of active competition, and with proper safeguards against the establishment of monopolies and cartels. Under such a system, buyers make their purchases, and sellers make their sales, at whatever time and place and in whatever quantities they choose, relying for guidance on whatever prices the market may afford. Goods move from country to country in response to economic opportunities. Governments may impose tariffs, but they do not dictate the quantity of trade, the sources of imports, or the destination of exports. Individual transactions are a matter of private choice.

This is the essence of free enterprise.

The pattern of trade that is *least* conducive to freedom of enterprise is one in which decisions are made by governments. Under such a system, the quantity of purchases and sales, the sources of imports, and the destination of exports are dictated by public officials. In some cases, trade may be conducted by the state. In others, part or all of it may be left in private hands. But even so the trader is not free. Governments make all the important choices and he adjusts himself to them as best he can.

This was the pattern of the seventeenth and eighteenth centuries. Unless we act, and act decisively, it will be the pattern of the next century.

Everywhere on earth, nations are under economic pressure. Countries that were devastated by the war are seeking to reconstruct their industries. Their need to import, in the months that lie ahead, will exceed their capacity to export. And so they feel that imports must be rigidly controlled.

Countries that have lagged in their development are seeking to industrialize. In order that new industries may be established, they, too, feel that competing imports must be rigidly controlled.

<sup>2</sup> For text of U.S. draft charter for an International Trade Organization, see Department of State publication 2598.

<sup>3</sup> For text of London draft charter for an International Trade Organization, see Department of State publication 2728.

Nor is this all. The products of some countries are in great demand. But buyers outside their borders do not hold the money of these countries in quantities large enough to enable them to pay for the goods they want. And they find these monies difficult to earn. Importing countries, when they make their purchases, therefore seek to discriminate against countries whose currencies they do not possess. Here, again, they feel that imports must be rigidly controlled.

One way to cut down on imports is by curtailing the freedom of traders to use foreign money to pay for imported goods. But recourse to this device is now limited by the terms of the British loan agreement and the rules of the International Monetary Fund. Another way to cut down on imports is by raising tariffs.

But if controls over trade are really to be tight, tariffs are not enough. Even more drastic measures can be used. Quotas can be imposed on imports, product by product, country by country, and month by month. Importers can be forbidden to buy abroad without obtaining licenses. Those who buy more than is permitted can be fined or jailed. Everything that comes into a country can be kept within the limits determined by a central plan. This is regimentation. And this is the direction in which much of the world is headed at the present time.

If this trend is not reversed, the Government of the United States will be under pressure, sooner or later, to use these same devices in the fight for markets and for raw materials. And if the Government were to yield to this pressure it would shortly find itself in the business of allocating foreign goods among importers and foreign markets among exporters and telling every trader what he could buy or sell, and how much, and when, and where. This is precisely what we have been trying to get away from as rapidly as possible, ever since the war. It is not the American way. It is not the way to peace.

Fortunately, an alternative has been offered to the world in the charter of the International Trade Organization that is to be considered at Geneva in the coming month. The charter would limit the present freedom of governments to impose detailed administrative regulations on their foreign trade. The International Trade Organization would require its member nations to confine such controls to exceptional cases in the im-

mediate future, and to abandon them entirely as soon as they can.

The trade-agreement negotiations that will accompany consideration of the charter should enable countries that are now in difficulty to work their way out of it by affording them readier access to the markets of the world. This program is designed to restore and preserve a trading system that is consistent with continuing freedom of enterprise in every country that chooses freedom for its own economy. It is a program that will serve the interests of other nations as well as those of the United States.

If these negotiations are to be successful, we ourselves must make the same commitments that we ask of all the other nations of the world. We must be prepared to make concessions if we are to obtain concessions from others in return. If these negotiations should fail, our hope of an early restoration of an international order in which private trade can flourish would be lost. I say again, they must not fail.

The program that we have been discussing will make our foreign trade larger than it otherwise would be. This means that exports will be larger. It also means that imports will be larger. Many people, it is true, are afraid of imports. They are afraid because they have assumed that we cannot take more products from abroad unless we produce just that much less at home.

Fortunately, this is not the case. The size of our market is not forever fixed. It is smaller when we attempt to isolate ourselves from the other countries of the world. It is larger when we have a thriving foreign trade. Our imports were down to a billion dollars in 1932; they were up to five billion in 1946. But no one would contend that 1932 was a better year than 1946 for selling goods, or making profits, or finding jobs. Business is poor when markets are small. Business is good when markets are big. It is the purpose of the coming negotiations to lower existing barriers to trade so that markets everywhere may grow.

I said to the Congress, when it last considered the extension of the Trade Agreements Act, and I now reiterate, that domestic interests will be safeguarded in this process of expanding trade. But there still are those who sincerely fear that the trade-agreement negotiations will prove disastrous to the interests of particular producing groups. I

am sure that their misgivings are not well founded. The situation briefly is this:

1. The Reciprocal Trade Agreements Act has been on the books since 1934. It has been administered with painstaking care and strict impartiality. Some 30 agreements with other countries have been made. And trade has grown, to the great benefit of our economy.

2. This Government does not intend, in the coming negotiations, to eliminate tariffs or establish free trade. All that is contemplated is the reduction of tariffs, the removal of discriminations, and the achievement not of free trade but of freer trade.

3. In the process of negotiations, tariffs will not be cut across the board. Action will be selective; some rates may be cut substantially, others moderately, and others not at all.

4. In return for these concessions, we shall seek and obtain concessions from other countries to benefit our export trade.

5. Millions of Americans—on farms, in factories, on the railroads, in export and import businesses, in shipping, aviation, banking, and insurance, in wholesale establishments, and in retail stores—depend on foreign trade for some portion of their livelihood. If we are to protect the interests of these people, in their investments and their employment, we must see to it that our trade does not decline. To take one of these groups as an example: we exported in 1946 over three billion dollars' worth of agricultural products alone, mostly grain, cotton, tobacco, dairy products, and eggs. If we should lose a substantial part of this foreign market, the incomes of over six million farm families would be materially reduced and their buying power for the products of our factories greatly curtailed.

6. There is no intention to sacrifice one group to benefit another group. Negotiations will be directed toward obtaining larger markets, both foreign and domestic, for the benefit of all.

7. No tariff rate will be reduced until an exhaustive study has been made, until every person who wishes a hearing has been heard and careful consideration given to his case.

8. In every future agreement, there will be a clause that permits this Government—or any other government—to modify or withdraw a concession if it should result, or threaten to result, in serious injury to a domestic industry. This is now re-

quired by the Executive order which I issued on February 25,<sup>4</sup> following extensive conferences between officials in the Department of State and majority leaders in the Senate.

All these points—the history of trade-agreement operations, the way in which negotiations are conducted, the protection afforded by the safeguarding clause—should provide assurance, if assurance is needed, that domestic interests will not be injured.

The policy of reducing barriers to trade is a settled policy of this Government. It is embodied in the Reciprocal Trade Agreements Act, fathered and administered for many years by Cordell Hull. It is reflected in the charter of the International Trade Organization. It is one of the cornerstones of our plans for peace. It is a policy from which we cannot—and must not—turn aside.

To those among us—and there are still a few—who would seek to undermine this policy for partisan advantage and go back to the period of high tariffs and economic isolation, I can say only this: Take care! Times have changed. Our position in the world has changed. The temper of our people has changed. The slogans of 1930 or of 1896 are sadly out of date. Isolationism, after two world wars, is a confession of mental and moral bankruptcy.

Happily, our foreign economic policy does not now rest upon a base of narrow partisanship. Leaders in both parties have expressed their faith in its essential purposes. Here, as elsewhere in our foreign relations, I shall welcome a continuation of bipartisan support.

Our people are united. They have come to a realization of their responsibilities. They are ready to assume their role of leadership. They are determined upon an international order in which peace and freedom shall endure.

Peace and freedom are not easily achieved. They cannot be attained by force. They come from mutual understanding and cooperation, from a willingness to deal fairly with every friendly nation in all matters—political and economic. Let us resolve to continue to do just that, now and in the future. If other nations of the world will do the same, we can reach the goals of permanent peace and world freedom.

<sup>4</sup> BULLETIN of Mar. 9, 1947, p. 436.



## Senate Consideration of Peace Treaties With Italy, Bulgaria, Rumania, and Hungary<sup>1</sup>

### STATEMENT BY THE SECRETARY OF STATE

These treaties, which the President of the United States has submitted to you for your consent to ratification, represent the result of months of effort on the part of my predecessor, Mr. Byrnes, Senator Vandenberg, Senator Connally, and their staff to make a start on the road back to peace.

Mr. Byrnes, Senator Vandenberg, and Senator Connally are naturally much more familiar with the provisions of these treaties than I am and can explain them to you, their why's and wherefore's, much better than I can.

I wish only to say a few words upon the importance of what they have accomplished and upon the importance of the prompt ratification of these treaties.

After any great war it is never easy for allies to avoid serious disagreement among themselves and to agree upon a common peace. They become acutely, and frequently in an exaggerated degree, conscious of differences which were submerged during the common struggle for survival. They find it difficult to realize that common sacrifices are as necessary to achieve peace as they are to achieve military victory.

It was not easy, I am sure, for the Allies to reach common agreement on these treaties. Our delegation from the outset insisted that not only the four great powers but all the nations which actively participated in the European war should

have a voice in making the peace with Italy and the Axis satellite states. The treaties were not dictated by the United States; they were not dictated by any other power; they represent the composite judgment of the nations whose fighting made victory possible. The principal provisions of the treaties are based upon recommendations of the Paris conference adopted by a two-thirds vote of the nations which actively participated in the European war. That is the kind of international cooperation which we must encourage if we are to build enduring peace.

These treaties if ratified will bring to an end the armistice regimes and will result in the withdrawal of occupation troops from Italy and the ex-satellite states except for a limited number of troops for a limited period in the Trieste area and a limited number of troops necessary to guard the Soviet communication lines in Hungary and Rumania to Austria. The ratification of these treaties will enable these countries, freed from the burden of occupation, to apply themselves to the urgent tasks of reconstruction.

The important fact is that in these treaties we make a beginning of peace. The making of that beginning will give immeasurable help and encouragement to further progress along the road to peace.

### STATEMENT BY JAMES F. BYRNES

I do not propose to burden you with long explanations of the discussions in which I participated, leading to the conclusion of the four treaties which are now before you. Nor do I propose to analyze these treaties in detail. Your chairman, Senator Vandenberg, and Senator Connally

were at my side throughout the long negotiations, lending me their wise counsel and immeasurably lightening the difficult task. They know at least as much of these treaties as I and probably more.

There are several aspects of the negotiations, however, to which I should like to draw your attention. Under the Potsdam agreement the task of preparation of the treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland was entrusted to the Council of Foreign Ministers.

At London the American Delegation insisted

<sup>1</sup>The two following statements were made before the Senate Committee on Foreign Relations on Mar. 4, 1947 and made public by that Committee on the same date. Mr. Byrnes was Secretary of State during the formulation of the final drafts of the peace treaties.

that there should be a peace conference so that other states which had fought the war should be given the opportunity to help make the peace. The Soviet representative opposed the proposal and the Conference adjourned in complete disagreement. At Moscow, three months later, the Soviets agreed to hold the Peace Conference.

Although the results of the Conference are not those which might have been desired by all of us, nevertheless, its recommendations provided the basis for the final settlement at the last meeting of the Council of Foreign Ministers in New York.

Out of the 53 Peace Conference recommendations which were adopted by at least a two-thirds majority, 47 were incorporated with little or no change in wording in the final text of the treaties.

Of the 41 recommendations adopted by a majority but by less than a two-thirds majority of the Conference, 24 appear in the final wording.

The other recommendations were not ignored. They were carefully considered in connection with the remaining agreements. For example, without the Conference recommendations upon the establishment of the Free Territory of Trieste, no final solution of this difficult question would have been possible. Its eventual solution contains the basic principles of the Conference's recommendations.

Unsatisfactory though the peace treaties may be from many points of view, their coming into force through their early ratification will insure certain positive advantages for all, including the ex-enemy states themselves, which should not be overlooked in any analysis of the situation created by these agreements.

In the first instance they represent an important, although a limited, step in the direction of the restoration of peace, of order, and of stability. Stability and peace can only be achieved as elements of uncertainty are removed. Until the treaties are ratified, the armistice regimes remain in force. As long as they remain in force none of the states subject to them can look forward to a future free from the possibility of interference in every phase of their national life, an interference which by the terms of the armistices other countries are required to recognize and to accept.

It is true that in Italy we have refrained from exercising many of the rights granted us. But the fact that they still existed was a continuing element of instability for the people and for their government.

Only through the conclusion of a definitive peace can the ex-enemy states resume their sovereign rights and thereby accept full responsibility for their own acts in the future, another important step toward the restoration of stable conditions.

No planning for the future, particularly in respect to economic development, was possible as long as these states were uncertain with respect to their future obligations arising out of the war.

The treaties authorize the ex-enemy states to make application for admission to the United Nations. Once admitted to membership they subscribe to the principles of the Charter and like every other peace-loving state have the right of appeal for the settlement of any problem which might affect their peace and security. They will then have the right to take an equal part in resolving this problem. As a result of such appeals, it is possible that revision of some of the more onerous clauses might be achieved.

Our action in consistently pressing for agreement upon these treaties has been influenced by our conviction that there could be no return to normal conditions in Europe until armies of occupation were withdrawn and our realization that they would not be withdrawn in the absence of treaties.

The withdrawal of Allied forces from Italy, Bulgaria, and Finland and the reduction of the garrisons in Rumania and Hungary to the level required only for the maintenance of lines of communication will remove heavy economic burdens from these countries and release them from pressure in other ways.

The withdrawal of occupation troops from lines of communication will result from the conclusion of the Austrian treaty, to which end every effort is now being made.

The United States and British forces in Italy have already been reduced almost below the effective level. The same cannot be said for the forces of occupation in other countries which must now leave within 90 days after the entry into force of the treaties.

I might recall that the settlement involving Trieste was the most controversial aspect of our long negotiations. Indeed, until this question had been disposed of it seemed likely that no final overall agreement could be achieved. The United States originally proposed that the area west of an

ethnic line drawn after careful study by American experts should be the boundary between Italy and Yugoslavia, leaving the Italian populations of Pola and Trieste joined to Italy.

Other frontiers were proposed by different delegations, but the lack of agreement in the Council of Foreign Ministers rendered our ethnic solution impossible of general adoption.

Yugoslavia supported by Soviet Russia urged the establishment of its frontier even to the west of Italy's pre-1918 boundary. For its contribution to Allied victory Yugoslavia asked to be awarded the whole of Venezia Giulia. Its representatives claimed that the western littoral including the city of Trieste should be joined to its Slav hinterland in spite of the fact that this area was predominantly Italian.

Because of the mingling of the two nationalities throughout the Venezia Giulia area, numerous Italian elements of the population will now be placed under Yugoslav sovereignty. However, the new line does establish a certain balance between the two ethnic groups, and the establishment of the Free Territory does insure home rule to the people of the Trieste area under international guaranties.

It should not be overlooked that upon American insistence guaranties have been inserted to insure the full exercise of fundamental liberties and human rights to any people transferred to alien sovereignty.

When we agreed to the internationalization of this area we were determined that it should be genuinely international in character and that the Security Council of the United Nations, which was to assume the responsibility for the integrity and the security of the territory and the protection of human rights, must have adequate powers to discharge this responsibility. It is my conviction that the Statute of the Free Territory does provide guaranties in this respect.

We can hope that it will provide the framework for the creation and maintenance of a genuine international regime which, if backed by an honest effort on the part of all states concerned, would bring to an end a source of long-standing friction and disturbance.

In order to insure that the Territory shall have the necessary financial resources to stand by itself it was important to ascertain the form and the extent of financial assistance which might be necessary in the early days. The extent of this support

was warmly disputed at the last Council meeting in New York, but all were in agreement that this was an important element of the settlement.

A committee of experts was immediately sent to the Territory to investigate and to report prior to the next meeting of the Council of Foreign Ministers what measures should be adopted during the early days of the new Territory's existence to start it on its independent existence. The committee has not yet submitted its report. I am informed that some measure of agreement has been reached upon the long-term measures required but that it may have to be left to the Ministers in Moscow to determine the extent of the immediate assistance required.

It is apparent that the Free Territory will present many serious problems. But it must be remembered that we were compelled to decide between the internationalization of this Territory or having no agreement at all. The Soviets were determined not to leave Trieste as part of Italy. The United States, Great Britain, and France were equally determined that Trieste, with its large Italian population, should not be given to Yugoslavia.

I am reconciled to the compromise for another reason—my fears as to what would have happened had our proposal been agreed to and Trieste given to Italy. Representatives of Yugoslavia had announced their determination to do everything in their power to take over Trieste. Nationals of Yugoslavia were daily moving into the city. After the treaty became effective and the armed forces of the United States and Great Britain returned home, it is probable there would be rioting in Trieste. Yugoslavia would declare it necessary to quell the rioting on its border and troops would be sent into Trieste. A disarmed Italy could not stop them. There probably would be an appeal to the Security Council. We can only speculate as to the result.

It is my opinion that Yugoslavia will hesitate to take such action as to the international territory under the control of the United Nations. She will realize there is a difference between encroaching upon the territory of a defeated enemy state that has been disarmed and encroaching upon the Free Territory of Trieste whose integrity and independence is specifically guaranteed by the Security Council of the United Nations.

Other benefits granted to the people of the ex-



enemy states assure the maintenance of their basic human rights and fundamental freedoms. These clauses constitute an international obligation and assure other states the right to see to it that they are maintained. In the preparation of these guaranties we also took precautions to prevent the reemergence of identifiable pre-war and wartime anti-democratic elements and the reemergence of pre-war Fascism. No limitations upon the democratic freedom and development of the people are contained in the treaties.

In the preparation of the economic clauses of the treaties, we addressed ourselves to two main problems. One was the liquidation of questions arising from the participation of these countries in the war on the Axis side. The other was the establishment of a basis for the resumption of economic relations between the former enemy states and the United Nations.

The first problem concerned primarily the liability of the former enemy states for the injuries which they caused to the United Nations and their nationals.

During the course of the negotiations the American Delegation strongly urged the viewpoint that the victors should avoid taking steps which would reduce the ex-enemy states to economic chaos.

The economic collapse of any country cannot fail to have the effect of retarding recovery in other countries. It would impede the objective of the United Nations of restoring and improving the standards of living generally and establishing economic conditions conducive to the maintenance of peace.

While the United States did not oppose the requirement that Italy contribute to the rehabilitation of the countries she had invaded, we found difficulty in accepting reparation proposals which were put forward by the various claimant countries. Italy has few raw materials and has relied for her living primarily on the ability of her people to work, that is, by processing goods for export. She has also relied upon her merchant marine, her tourist trade, and her insurance business.

Most of her important sources of income were lost or substantially curtailed as a result of the war. Consequently, the United States found it necessary to extend substantial amounts of financial assistance to Italy after she joined the Allied forces.

After many months of discussion a formula was found for dealing with the Italian reparation problem which appeared to constitute a reasonable compromise between the conflicting viewpoints. To a small extent, Italian reparations will be met out of the Italian factory and tool equipment which was devoted to military purposes, and which is no longer needed to sustain the small military establishment permitted under the treaty and cannot be converted to peaceful production.

Italian reparation obligations will also be met out of certain Italian investments, notably in the Balkan countries and in some of the ceded territory.

The principal source of Italian reparations, however, will be the delivery of goods from current Italian industrial production. We refused to agree to this source until we devised a program which would avoid having the United States furnish the means of paying reparations.

In the first place, deliveries from current production are not required to begin until two years after the treaty comes into force.

In the second place, the reparation-recipient countries are called upon to furnish to Italy those raw materials needed in the production of reparation goods which are normally imported into Italy.

The value of such materials is to be deducted from the value of the goods delivered by Italy.

The period over which reparations are to be paid is seven years, including the initial two years during which deliveries from current production are not mandatory.

Under this system Italy will be given a breathing space during which she can get her economic house in order, and the total volume of deliveries in any year should not be such as to place too heavy a burden on the Italian economy.

In the case of Rumania, the treaty leaves the reparation obligation, which is payable only to the Soviet Union, at the level of \$300,000,000 fixed in the armistice agreement. Although Rumania is now suffering economic difficulties as the result of a severe drought, she has basic resources which seemed to us adequate to sustain this reparation obligation.

In the case of Hungary the United States Delegation felt that the reparation of \$300,000,000 fixed in the armistice agreement with Hungary should be reviewed. During the period following termination of hostilities, the Hungarian economy suf-

ferred a very severe crisis culminating last year in a currency inflation of astronomical proportions. While we were aware of the fact that the cause of this situation lay partly in the disorganization resulting from the war, we felt that a very important contributing factor was the reparation program and the exactions laid upon Hungary under the terms of the armistice to support the Soviet armed forces in that country.

We tried repeatedly to induce the Soviet Union to join with us and the British Government in reviewing the Hungarian situation but they refused to enter into such discussions.

Having failed to obtain agreement on a review of the situation, we proposed during the Peace Conference that the Hungarian reparation obligation be reduced. Our proposal did not obtain a large number of votes, and the alternative proposal to leave the reparations at \$300,000,000 was voted by the Peace Conference by a bare majority.

Meanwhile, the Soviet Union had entered into direct discussions with the Hungarian Government and had agreed on some adjustments in the schedule of Hungarian deliveries.

In the light of all the circumstances and particularly the fact that the treaty will result in the withdrawal of the Soviet forces from Hungary, except for the troops necessary to maintain the line of communications to Austria, we resolved our doubts in favor of the Paris Peace Conference recommendation, that the reparation figure be left at \$300,000,000.

In the case of Bulgaria, reparation claims were advanced only by Greece and Yugoslavia. The Paris Conference recommended by less than a two-thirds vote that reparations be fixed at \$125,000,000. The Soviet Union considered this amount to be in excess of Bulgaria's ability and out of line with the amounts fixed for other countries.

Agreement was ultimately reached on the figure of \$70,000,000, which is not entirely comparable to the figure of \$125,000,000 because of changes in the basis of valuation of reparation deliveries more favorable to the recipient states.

A question related to reparation, and one of direct interest to the United States, was that of treatment of Allied property in the ex-enemy countries and the extent to which compensation should be made for damages sustained by such property.

In Italy the property holdings of our nationals are in the neighborhood of \$130,000,000. More

than half is in industrial and commercial enterprises. In Rumania our investments amount to perhaps \$40,000,000, consisting principally of interests in the petroleum industry. Our investments in Hungary can be estimated at \$20,000,000 and in Bulgaria about \$3,000,000. These are direct investments and do not include our security holdings and various other miscellaneous properties and financial interests.

Provisions have been included in the treaties for the restoration of Allied properties to their owners and for the repeal of discriminatory laws and other measures taken against Allied property during the war. The properties are to be restored in good order by the ex-enemy states. Where this cannot be done, compensation will be made to the owners in local currency at a rate sufficient at the time of payment to cover two thirds of the loss suffered.

It is obviously impossible to restore everyone to the exact position which he had before the war, and the American Delegation considered the provisions ultimately agreed upon to constitute a reasonable degree of satisfaction of the claims of property owners.

While only partial compensation is provided for damages suffered by property owners in the ex-enemy countries, it must be remembered that the payment of reparations will permit only an infinitesimal amount of compensation for damages suffered in the invaded countries.

It seemed to us that we could not press for full compensation for one class of claimants, particularly in the light of the total burdens being placed upon the former enemy countries in the peace treaties.

Other provisions in the treaties deal with such matters as the return of property looted in the invaded countries, renunciation of claims against the Allied states, expenses of occupation, questions of military currency and military requisition, and a variety of other matters.

It seemed to us desirable that the treaties constitute as far as possible a settlement of all questions arising out of the war and that methods be provided which would enable disputes arising in regard to the interpretation or execution of the treaty provisions to be speedily resolved. We encountered some difficulty in reaching agreement on a procedure for settling disputes, but a formula was ultimately found which I believe will furnish

a satisfactory basis for the ultimate resolution of those questions which cannot be resolved by bilateral negotiation.

It is our hope that these states will soon be admitted to the United Nations Organization and also to various specialized agencies which have been created by the United Nations. Through the specialized agencies of an economic character, such as the International Bank, the Monetary Fund, the International Aviation Organization, the International Trade Organization, and other international bodies, the former enemy states will be enabled to join with the United Nations in co-operative action looking forward to the stabilization and improvement of international economic relations and a general increase in trade and employment.

Prior to the outbreak of the war the Balkan countries had been subjected to strong economic pressure by Germany through clearing agreements and other devices. The economic dominance which Germany gradually obtained over them was used not only as an instrument against the commercial interests of other countries but as a means of undermining the independence of the Balkan countries.

With the defeat of Germany it is natural that the countries of eastern Europe will cultivate much closer economic relations with the Soviet Union than they had before the war.

However, we have been disturbed over the development since the end of hostilities of economic policies and practices which seemed to us would result in a new set of discriminatory arrangements in the Balkan area.

After a long discussion we reached agreement on provisions guaranteeing equality of economic opportunity for a year and a half after the peace treaties come into force, during which period it is contemplated that the United Nations will enter into new trade arrangements with the former enemy states.

These provisions require the ex-enemy states to grant, to each of the United Nations which grant similar treatment to them, non-discriminatory treatment in matters of trade and equal status with their own nationals in the conduct of business activity within the country. Furthermore, the treaties prohibit discrimination in matters relating to civil aviation and guarantee for the same period of a year and a half equality of op-

portunity to all the United Nations in negotiating for civil-aviation rights.

Another important provision directed to the maintenance of the open door in the Balkans is the treaty clause on the Danube and the related agreement by the Council of Foreign Ministers to summon a conference to establish a new Danube regime.

For almost a century there have been international guaranties of freedom of commerce and navigation on the Danube. These principles are reaffirmed in the treaties with the satellite states.

The agreement of the Council provides that a conference shall be convened within six months after the entry into force of the treaties to establish a new international regime for navigation on the Danube. The countries which will participate in the conference are the states bordering on the Danube, including the Soviet Union, together with the United States, Great Britain, and France.

These arrangements were a compromise, and I think a reasonable one, between the desire of the Soviet Union that arrangements respecting the Danube should be left solely in the hands of the riparian states and the view of the other three powers which participated in drafting the peace treaties that the Danube question concerns all countries and that its settlement should involve appropriate participation by non-Danubian states.

The economic clauses of the treaty constitute only one step in the process of clearing away the debris of the war and the rebuilding of the shattered European economy. While certain provisions will be regarded as harsh, the treaty clauses do lay the basis for resumption of normal and healthy relations between the former enemy countries and the United Nations. Taken as a whole, they have appeared to the American Delegation as constituting a reasonably satisfactory solution of the very difficult problems involved in harmonizing all of the conflicting viewpoints.

No final disposition of the Italian colonies was agreed upon in the Italian treaty. The treaty provides for further study of this question by the four powers in consultation with other interested countries, and if they are unable to agree the matter is to be left to the decision of the General Assembly of the United Nations. In the meanwhile, the colonies will remain under the control of the British occupational authorities.

I regard it as of great significance that we were



able to get acceptance of our proposal that in the absence of agreement among the four powers the United Nations, without any state having the right of veto, should determine what should be done with these colonies.

I have no doubt that each Senator can find in the treaties some provision to which he objects. I hope, however, that in considering the question of ratification he will recall our own difficulties reaching agreement under the unanimous-consent rule. This is the rule that prevails in the Council of Foreign Ministers because no one of the great powers can be forced to sign a treaty.

If in the Senate we find it difficult to reach unanimous agreement when we have common interests and a common language, you will realize how much more difficult it is to reach unanimity

in the Council where states have conflicting interests and those conflicts of interest must be presented in different languages.

I believe that the agreements reached are as good as we can hope to obtain at this time or for some time to come. I believe that it is much better for us and for the countries concerned if we ratify these agreements than if we have no agreements.

The fact that agreements were possible even in this limited field will create an element of stability. It disposes of one source of international argument and discussion. It demonstrates that the nations that won the war can agree as to the peace and should make it easier for us to agree on the other treaties.

#### **International Children's Emergency Fund—Continued from page 470**

full cooperation with the government, that the principles for the operation of the Fund are faithfully fulfilled, and to gather material regarding the need for continued assistance.<sup>11</sup>

The following policies have already been accepted by the Program Committee of the Fund:

(a) The basic policy of the ICEF should be one of the highest trusteeship between the donor and the beneficiary. From the moment of receiving a contribution until the child obtains its relief, the ICEF will diligently and conscientiously follow step by step the conversion of money to relief supplies and the eventual utilization of these supplies.

(b) To this end the ICEF will either effect its own procurement and shipment of relief supplies or make adequate arrangements with governmental agencies which handle these activities in trust.

(c) Furthermore, as the trustee of the donor the ICEF will maintain title to its relief supplies until consumed by the ultimate recipient. From the time of receipt at a country's frontier until dispensation to the child, the ICEF may in trusteeship delegate the transport and distribution of these goods to a government or relief organization mutually acceptable to the government and the Fund. The government or relief organization to whom this

trusteeship is delegated, however, should maintain the same standards of responsibility as the donor expects of the ICEF.

In January 1947, the Secretary-General transmitted to member nations an appeal for contributions from the Executive Board of the Fund, outlining the need, the methods of operation, and the administrative organization of the Fund. In discussing the financing of the Fund the memorandum stated:

"All these plans and projects [of the Fund] will be mere empty gestures, however, unless the Fund is provided with the resources it will need for its operations. The General Assembly, relying upon the full sympathy and cooperation which can be expected from the Governments and peoples of the world, established no fixed standard for contributions. Instead it closed the Resolution creating the Fund by calling upon governments, voluntary agencies, and private individuals to give to the Fund their generous support. The provision of necessary resources, pursuant to this appeal, made with the full voice and authority of the United Nations, is a matter of the utmost urgency if the lives and future of the rising generation are to be safeguarded."<sup>12</sup>

Only to the extent that that hope of the General Assembly is realized will the International Children's Emergency Fund become a reality for millions of children who are suffering as a result of the destruction and dislocation of the war.

<sup>11</sup> Report of the International Children's Emergency Fund to the Social Commission, E/CN.5/8/Add. 1, Jan. 21, 1947, p. 8.

<sup>12</sup> Ibid., Annex 3, p. 27.

## Greek Government Seeks U.S. Financial Aid

### MESSAGE TO PRESIDENT AND SECRETARY OF STATE FROM GREEK PRIME MINISTER AND FOREIGN MINISTER<sup>1</sup>

SIR: I have the honor, on instructions of my Government, to convey the following urgent message to His Excellency the President of the United States and to Your Excellency:

"Owing to the systematic devastation of Greece, the decimation and debilitation of her people and the destruction of her economy through four invasions and protracted enemy occupation, as well as through disturbances in the wake of war, and despite the valuable assistance rendered by our Allies during and after the war for which the Greek people feel profoundly grateful, further and immediate assistance has unfortunately become vital. It is impossible to exaggerate the magnitude of the difficulties that beset those survivors in Greece who are devoting themselves to the restoration of their country. Such means of survival as remained to the Greek people after the enemy withdrew have now been exhausted so that today Greece is without funds to finance the import even of those consumption goods that are essential for bare subsistence. In such circumstances the Greek people cannot make progress in attacking the problems of reconstruction, though substantial reconstruction must be begun if the situation in Greece is not to continue to be critical.

"The Greek Government and people are therefore compelled to appeal to the Government of the United States and through it to the American people for financial, economic and expert assistance. For Greece to survive she must have:

"1. The financial and other assistance which will enable her immediately to resume purchases of the food, clothing, fuel, seeds and the like that are indispensable for the subsistence of her people and that are obtainable only from abroad.

"2. The financial and other assistance necessary to enable the civil and military establishments of the Government to obtain from abroad the means

of restoring in the country the tranquillity and feeling of security indispensable to the achievement of economic and political recovery.

"3. Aid in obtaining the financial and other assistance that will enable Greece and the Greek people to create the means for self-support in the future. This involves problems which unhappily cannot be solved unless we surmount the crisis immediately confronting us.

"4. The aid of experienced American administrative, economic and technical personnel to assure the utilization in an effective and up-to-date manner of the financial and other assistance given to Greece, to help to restore a healthy condition in the domestic economy and public administration and to train the young people of Greece to assume their responsibilities in a reconstructed economy.

"The need is great. The determination of the Greek people to do all in their power to restore Greece as a self-supporting, self-respecting democracy is also great; but the destruction in Greece has been so complete as to rob the Greek people of the power to meet the situation by themselves. It is because of these circumstances that they turn to America for aid.

"It is the profound hope of the Greek Government that the Government of the United States will find a way to render to Greece without delay the assistance for which it now appeals.

"Signed: D. MAXIMOS, Prime Minister, C. TSALDARIS, Deputy Prime Minister and Minister for Foreign Affairs."

Accept [etc.] PAUL ECONOMOU-GOURAS

His Excellency GEORGE C. MARSHALL  
*Secretary of State*  
Washington, D. C.

<sup>1</sup> Delivered by the Chargé d'Affaires of Greece in Washington on Mar. 3, 1947, and released to the press on Mar. 4.

## STATEMENT BY THE SECRETARY OF STATE

[Released to the press March 4]

For some time this Government has been endeavoring in various ways to assist in the restoration of the economy of Greece. Spurred by appeals from the Greek Government, it has been studying ways and means of providing additional assistance. This study impelled the dispatch of the economic mission headed by Paul A. Porter which is now in Greece. It has also involved consultations and exchanges of ideas with the Greek Government and the British Government, which has likewise been bending every effort to help Greece.

Recently reports from our own representatives and from the Greek and British Governments have shown that the economic condition of Greece has deteriorated to the verge of collapse. The Greek

Government has renewed its request for help. In the light of the world situation, this is a matter of primary importance to the United States. It has received the urgent attention of the President and the executive agencies concerned. It has been discussed with the appropriate congressional leaders.

I cannot say anything today regarding the action which may be taken, other than that a full public statement will be made very soon, when the executive agencies have completed their consideration of the matter. The problems involved are so far-reaching and of such transcendent importance that any announcement relating to them could properly come only from the President himself. The final decisions will rest with the President and the Congress.

## Regulations Governing Restitution of Property in Poland

[Released to the press March 4]

Property in Poland, both movable and fixed, the possession of which was lost in connection with the war, may be recovered in the manner provided by the Polish Decree of March 8, 1946 if application is filed before December 31, 1947. If the person who has lost possession is dead or absent, his ancestors, descendants, brothers, sisters, and spouse may apply for restitution.

Restitution will be granted if possession was lost as the result of abandonment, confiscation, agreement with the occupation authorities, or voluntary transfer if the transfer was made to preserve the property from loss in connection with the war or the occupation. Tenancy rights to premises and buildings constituting a component part of industrial or commercial establishments, but not other tenancy rights, may be restored by the special procedure established by the decree. Possession may not be recovered of property which has been nationalized.

All persons in possession of property subject to restitution under the decree are required, under severe penalties, to place the property in the hands

of the District Liquidation Office of the province in which the property is located. This office turns over the property for administration to the ministry or local government agency appropriate for the given type of property. Upon application by the person entitled to possession, the District Liquidation Office may consent to the restitution of property by the authority administering it. An applicant failing to regain possession by this method may bring proceedings for restitution before the Court of Common Pleas in the locality in which the property is situated. These proceedings are governed by special rules, set forth in the decree, designed to give speedy relief.

Claims for restitution under the decree should not be referred to the Department of State or to the United States Embassy or Consulates in Poland but should be taken up directly with the appropriate Polish authorities. Names of attorneys who will undertake to prosecute claims will be supplied to United States citizens, upon request, by the Protection of American Property Section of the State Department or by the American Embassy in Poland.



## U.S. Opposes Intervention in Hungary by Soviet High Command

[Released to the press March 6]

The Government of the United States, in keeping with its undertakings as a signatory of the Yalta Declaration, its responsibility under the armistice as a participant in the Allied Control Commission for Hungary, and its determination to assist the Hungarian people toward the establishment of democratic independence as envisaged in the peace treaty with Hungary, is impelled at this time to express its feeling of concern at the political crisis which has now been precipitated in Hungary. The pattern of recent political developments in Hungary appears to threaten the right of the people to live under a government of their own free choosing, for it involves foreign interference in the domestic affairs of Hungary in support of repeated aggressive attempts by Hungarian minority elements to coerce the popularly elected majority.

Unable to achieve their political ends through normal constitutional processes, the Hungarian Communists, together with other members of the Leftist bloc, have endeavored to implicate a number of representatives of the majority Smallholders Party in a recently revealed plot against the Republic and, by demanding the withdrawal of parliamentary immunity from Smallholders deputies, to weaken the parliamentary position to which that party was duly elected by the Hungarian people. Simultaneously, police and administrative authorities responsive to the dictates of these minority elements have utilized their powers of investigation of the conspiracy not toward the expeditious judicial resolution of a threat against the state but to conduct a general campaign against their political opponents.

The Soviet High Command in Hungary has now, by direct intervention, brought the situation to a crisis. Following the refusal of the Smallholders Party to abrogate, in connection with the investigation of the conspiracy, the parliamentary immunity of Deputy Béla Kovács, until recently Secretary General of the Smallholders Party, Soviet occupation forces have arrested Mr. Kovács.

The grounds given for that arrest are allegations that he "actively participated in the formation of subversive and anti-Soviet terror groups" and "in organizing espionage directed against the Soviet Union". Despite the importance of this step, this Soviet action has been taken unilaterally without prior discussion with the United States and United Kingdom representatives on the Allied Control Commission. On the basis of its present information, the United States Government believes these grounds and the charges are unwarranted.

These developments, in the opinion of the United States Government, constitute an unjustified interference in Hungarian internal affairs, the effect of which will be to support the efforts of a small group in Hungary to substitute a minority dictatorship for a responsible administration representative of the will of the Hungarian people as expressed in free and untrammelled elections. The United States Government is opposed to this attempt to nullify the electoral mandate given by the Hungarian people.

In these circumstances, the United States Government requests that the Soviet and British representatives on the Allied Control Commission be instructed by their respective governments to join with the United States representative on the Allied Control Commission in examining, in cooperation with the Hungarian Prime Minister, the Minister of Defense, Minister of Interior, Minister of Justice, and President of the National Assembly, the facts of the present situation, including the case of Mr. Kovács and the conspiracy, and in making recommendations to the Hungarian Government as to steps which should be taken for an orderly solution. The United States Government also requests that the Soviet authorities take no further measures without consulting the United States and United Kingdom representatives on the Allied Control Commission.

The above views of the United States Government have been communicated to the Soviet Chairman of the Allied Control Commission for Hungary and to the Hungarian, Soviet, and British Governments.

March 16, 1947

## License Restrictions Lifted on Trading With Germany and Japan

[Released to the press March 4]

The Secretaries of State, War, and the Treasury, and the Attorney General announced on March 4 that hereafter a license under the Trading With the Enemy Act will not be necessary to enter into current business transactions or to communicate with persons in Germany and Japan. This action was taken after consultation with the United States military authorities in Germany and Japan and was effected by including those countries in Treasury General License no. 94, and by amending Public Circular no. 25. General Ruling no. 11A and General License no. 95 were also amended to implement this decision.<sup>1</sup> The amendments do not, however, include relaxation of controls on transactions which involve the use of German and Japanese property blocked on December 31, 1946 and income subsequently accruing thereon, which still remain subject to vesting by the Department of Justice.

It was emphasized that this action in no way affects the need for obtaining any necessary permission from the appropriate military authorities in Germany and Japan, or for complying with all pertinent rules and regulations in effect in those areas. This program was put into effect by the interested departments in view of the fact that the Allied military authorities are now in a position to implement fully this Government's policies concerning financial and commercial business dealings with Germany and Japan by means of local controls, since restrictions imposed by the Trading With the Enemy Act were essentially the same as those now imposed by current theater regulations. It was pointed out, moreover, that controls exercised by the occupation authorities embrace transactions between Germany and Japan and all other countries, whereas the controls administered by the Treasury Department applied

only to dealings between occupied areas and persons in the United States.

Public Circular no. 25 as amended on March 4 waives the restriction of General Ruling no. 11 with respect to all enemy nationals. This means that restrictions imposed by the Treasury on communications with Germany and Japan were also lifted in coordination with the removal of restrictions heretofore imposed by the Treasury Department on current financial and commercial transactions with those countries. In the case of Germany, American businessmen dealing with persons in Germany will hereafter be subject only to those restrictions which are imposed by the theater, and which apply equally to all foreign nationals. It was noted, however, that certain restrictions on communications and censorship controls imposed by the occupation authorities remain in effect, including the prohibition on communications which constitute or authorize business or financial transactions. These restrictions are necessary in as much as no business or commercial transactions between persons in Germany and Japan, and persons outside those countries, may be effected without permission of the Allied military authorities. Furthermore, the action in no way affects the present procedure under which sales of Japanese exports in the United States are made only by the U.S. Commercial Company and German exports by the Joint Export-Import Agency and in certain cases by the U.S. Commercial Company.

The Department of State pointed out that the present theater policy of not allowing the admission of businessmen into Japan is not affected by today's announcement. It is the intention of the Supreme Commander for the Allied Powers in Japan to permit the travel to Japan of businessmen of all countries as soon as economic conditions permit, and when food and housing conditions are adequate for their accommodation.

A further step in the action of March 4 was the amendment of General Ruling no. 11A.<sup>2</sup> This

<sup>1</sup>For texts of General Licenses, Public Circulars and General Rulings cited above, consult *Federal Register*.

<sup>2</sup>12 *Federal Register* 1458.

amendment removes from blocking regulations property in which a German or Japanese interest has been acquired after December 31, 1946.

In this connection the Attorney General also announced that henceforth, in general, the Office of Alien Property, Department of Justice, will not vest German or Japanese interests acquired after December 31, 1946. Accordingly, persons acting under judicial supervision need no longer report German or Japanese interests acquired after December 31, 1946 and, so far as Office of Alien Property regulations are concerned, may transfer such property. Likewise, no report on form APC 56 need be filed with respect to German or Japanese interests acquired after December 31, 1946. These changes were accomplished by amendments to § 503.20-1 and § 503.7-1, and by adding a new regulation (no. 2) to § 503.40 of the Rules of the Office of Alien Property.

It was pointed out, however, that, in cases in which a property interest was acquired before December 31, 1946 by Germans or Japanese who have been within Germany, Italy, Hungary, Bulgaria, or Rumania on or since January 1, 1945, the restrictions of General Ruling no. 11A are still applicable, and such an interest would be subject to vesting by the Department of Justice. This would also be true of income on property blocked on December 31, 1946.

It was pointed out that, in addition to establishing a cut-off date, the ruling which previously applied to Germans or Japanese who had been within any of the above-mentioned countries on or after December 7, 1941, or any other country while it was designated as enemy territory, was amended to include only Germans and Japanese who have been within Germany, Japan, Italy, Hungary, Bulgaria, or Rumania on or since January 1, 1945. This modification was made since there is no evidence that any substantial number of Nazis or Japanese left Germany or Japan prior to January 1, 1945, and the former date had imposed restrictions on the accounts of *bona fide* refugees who had fled from Germany prior to that time.

General Licenses nos. 94<sup>3</sup> and 95<sup>4</sup> were also amended to redefine the term "national" for the purposes of these licenses so that any person residing in countries specified therein is now entitled to the privileges of the licenses unless he is subject to General Ruling no. 11A.

Existing policies of the occupation authorities with respect to Germany, such as the moratorium on new foreign investments, are not altered by the action.

Similar steps have recently been announced by the British authorities in London.

Further announcements concerning any changes in theater regulations and licenses will be made as soon as they are available.

## Moscow Meeting of Council of Foreign Ministers

### STATEMENT BY THE SECRETARY OF STATE<sup>5</sup>

We fully recognize that the negotiations in Moscow will be extremely difficult and the consequences momentous.

The Deputies of the Foreign Ministers have made some progress in drafting the Austrian treaty. It should be possible for the Foreign Ministers to consider the Austrian treaty provisions with the hope of completing them.

The situation regarding the German issue is quite different since the Deputies so far have been engaged only in listening to the statements of the Allied countries concerned, other than the Big Four. So we have yet to discuss and reach agree-

ments on the great fundamentals which will be the basis for the drafting of the treaty regarding Germany. If we are successful in reaching agreements on the major fundamental principles, I would be very much pleased.

It would appear now extremely doubtful whether the actual treaty draft for Germany could be completed for consideration at this conference.

<sup>3</sup> 12 *Federal Register* 1457.

<sup>4</sup> 12 *Federal Register* 1458.

<sup>5</sup> Made orally on Mar. 5, 1947 at the Washington airport on his departure for Moscow.

March 16, 1947



## The Good Neighbor Policy—An Application of Democracy to International Affairs

### ADDRESS BY THE PRESIDENT<sup>1</sup>

My presence here today as the guest of the great Republic of Mexico is one of the truly happy occasions of my career. I am deeply moved to be here again, among my friends and neighbors. I have wanted to return to Mexico ever since November 1939, when I visited this city and enjoyed the memorable hospitality of the Mexican Congress. To my good friend, President Miguel Alemán, and to all the people of Mexico, I say from the bottom of my heart: Thank you for your gracious welcome.

It is a common failing of many people to complain of hardships and overlook their good fortune. In the international sphere many people emphasize the disagreements that separate nations and forget the large areas of agreement that bring nations together in mutual understanding. It would be foolish to pretend that fundamental differences in political philosophies do not exist. The task of achieving permanent peace and security for all mankind is not easy, but I am certain that permanent peace and security are the goal of all peoples everywhere, whatever their language or nationality, race or creed. Because of my belief that the peoples of the world have peace as a common objective, I refuse to be discouraged by apparent difficulties. Difficulties are a challenge to men of determination.

If a realistic view of the world takes full account of the differences that separate nations, it must also take full account of the common beliefs that unite nations. Nowhere is this element of unity—unity of heart and mind—more evident than in the neighborly community of the American republics. Here we recognize clearly that, as you have stated so concisely and eloquently, Mr. President, "together we must live and together we must prosper."

Here we have already achieved in substantial measure what the world as a whole must achieve.

<sup>1</sup> Delivered at Mexico, D.F., on Mar. 3, 1947, and released to the press by the White House on the same date.

Through what we call our inter-American system, which has become steadily stronger for half a century, we have learned to work together and to solve our problems by friendly cooperation and mutual respect.

We have a good-neighbor policy in common, and as a result of the sincere application of that policy we form a good-neighborhood. Our example has a salutary effect on the whole world. The success of our cherished inter-American system is a source of inspiration for the developing system of the United Nations, of which we are all members.

We are united by more than the common procedures and agencies of inter-American cooperation. All our peoples have a common belief which we call "democracy". Democracy has a spiritual foundation because it is based upon the brotherhood of man. We believe in the dignity of the individual. We believe that the function of the state is to preserve and promote human rights and fundamental freedoms. We believe that the state exists for the benefit of man, not that man exists for the benefit of the state. Everything else that we mean by the word "democracy" arises from this fundamental conviction. We believe that each individual must have as much liberty for the conduct of his life as is compatible with the rights of others. To put this belief into practice is the essential purpose of our laws.

We know that the maximum freedom and dignity of the individual cannot be attained under a dictatorship. Freedom and dignity of the individual can be attained only under a system of law which protects the rights of individuals, and through a government made up of freely elected representatives of the people. When we have this we have a democratic government—one that is suited to a democratic way of life.

This is a simple, fundamental truth.

The good-neighbor policy, which guides the course of our inter-American relations, is equally simple. It is the application of democracy to in-

ternational affairs. It is the application of the Golden Rule.

The good-neighbor policy applies to international relations the same standards of conduct that prevail among self-respecting individuals within a democratic community. It is based on mutual respect among nations, the respect that each accords to the rights of others, without distinction of size, wealth, or power. It is an expression of that bond of common belief which we call democracy. It is the only road into the future that will lead us to our goal of universal peace and security. Along that road we shall persevere.

The good-neighbor policy specifically includes the doctrine of non-intervention. This assures each nation freedom for its own development. My country, in common with all the American republics, pledged itself at the conference of Montevideo in 1933 and the conference of Buenos Aires in 1936 to observe the doctrine of non-intervention. What it means is that a strong nation does not have the right to impose its will, by reason of its strength, on a weaker nation. The whole-hearted acceptance of this doctrine by all of us is the keystone of the inter-American system. Without it we could not exist as a community of good neighbors. It is a binding commitment under the good-neighbor policy. It is part of the basic international law recognized by all the American republics. My own country will be faithful to the letter and to the spirit of that law.

Non-intervention does not and cannot mean indifference to what goes on beyond our own borders. Events in one country may have a profound effect in other countries. The community of nations feels concern at the violation of accepted principles of national behavior by any one of its members. The lawlessness of one nation may threaten the very existence of the law on which all nations depend.

In our domestic civil life we long ago recognized that the alternative to the rule of the strong was law established by the community. For some years now we have been seeking, with increasing success, to apply this basic concept to international relations. It is no coincidence that the effort to achieve collective world security has been concurrent with the growing acceptance of the doctrine of non-intervention. It is inspiring to note the progress we have made toward establishing a community of nations with authority to enforce

the law on delinquents. The Charter of the United Nations specifically invests the world community of nations with a measure of such authority. Within the good-neighbor community of the 21 American republics we have witnessed and are witnessing a similar constructive development, beginning at Buenos Aires in 1936 with unanimous acceptance of the principle of consultation. The development of the inter-American system was accelerated by the great work done in this city at the 1945 Conference on Problems of War and Peace, where the plan of a reorganized and strengthened system was created.

International relations have traditionally been compared to a chess game in which each nation tries to outwit and checkmate the other. I cannot accept that comparison with respect to relations between your country and mine, Mr. President. The United States and Mexico are working together for the mutual benefit of their peoples and the peace of the world. You have made me feel what I could not have doubted in any case, that I stand here, in the midst of the great people of Mexico, as a trusted friend and a welcome guest.

To you and to the people of Mexico I bring a message of friendship and trust from the people of the United States. Though the road be long and wearisome that leads to a good-neighborhood as wide as the world, we shall travel it together.

Our two countries will not fail each other.

## Letters of Credence

### *Denmark*

The newly appointed first Ambassador of Denmark, Henrik de Kauffmann, presented his credentials to the President on March 8, 1947. For the text of the Ambassador's remarks and the President's reply, see Department of State press release 178 of March 8.

## THE FOREIGN SERVICE

### Confirmations

The Senate on March 5, 1947 confirmed the nomination of Lewis W. Douglas to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

## International Understanding: An Undeveloped Human Resource

BY ASSISTANT SECRETARY BENTON<sup>1</sup>

My assignment tonight is to tell 10,000 educators about the state of understanding among the two billion inhabitants of the earth. My willingness to face such an audience on such a subject seems to mark me as a man of rare innocence—and audacity.

I am intimidated more by my theme, however, than I am by this audience. There is no task in today's world more important or more urgent than the task of achieving understanding among peoples. Such understanding has always been desirable. Today it is indispensable if we are to have any assurance that our civilization will survive. We Americans are only beginning to grasp the immensity of the task and to make the first tentative moves to meet it. Thus I address myself to my theme with humility, but with the consolation that there are no experts, that all of us are equally new to it.

You don't have to be an expert to know that world-wide understanding among ordinary people is our most important and least developed resource. There isn't much of it today. We don't know its potentialities because we have never tried to develop it. But we do know this: we had better work at international and intergroup understanding very hard and very fast. World enemy No. 1 isn't the atomic bomb, as some seem to think. World enemy No. 2 isn't Communism, or what the Communists call monopoly capitalist Fascism. World enemy No. 3 isn't disease and disaster. World enemies Nos. 1, 2 and 3 are ignorance, misunderstanding, and unwarranted mistrust. These are the breeders of hate and war.

Because international understanding begins at home I was alarmed, as I am sure this group must have been, by Benjamin Fine's remarkable report on the state of American public education in the

February 10 issue of the *New York Times*. Dr. Fine found that there has been a virtual stampede of teachers from our classrooms in the last five years. He reports that there are 70,000 unfilled teaching positions in the United States; that 125,000 practicing teachers have emergency or sub-standard certificates; that 6,000 schools will close for lack of teachers. Dr. Fine attributes the threatened disintegration of our schools to grossly inadequate salaries and to a decline in the prestige of the profession.

I am not using the phrase *understanding among peoples* in a vague or pious sense. Understanding is not as tangible or as easy to measure as a factory or a division of troops. But it is an even more real force in world affairs. Even dictators have had to acknowledge that.

True understanding among peoples can be a powerful force for peace. Misunderstanding can be a powerful force making for tension, conflict, and war.

Evidence pours into my office daily that the United States is being presented to the peoples of many countries as reactionary, imperialistic, militaristic, lawless, politically immature, unstable, rich but strife-ridden, long on mechanical ability and short on culture. Such stereotypes about America appear with insistent and monotonous regularity in countries under Soviet influence. But they appear also, with variations and in less violent form, in countries with which we have a freer exchange of information. They are potentially dangerous.

What I have said about foreign images of America has its counterpart in American stereotypes about foreign peoples. The volume of news and information from abroad now available to the American people through our press and radio is tremendous contrasted with what is available to foreign peoples about us. But we still tend to

<sup>1</sup> Delivered before the American Association of School Administrators, in Atlantic City, N.J., on Mar. 3, 1947, and released to the press on the same date.



think in clichés and interpret the news in terms of clichés.

Latin Americans are too often gauchos who dance the rumba and indulge in periodic revolutions. Russians, too often, are enigmatic, stubborn, and mechanically inept. The British are a stolid though decent folk. The Chinese are philosophic coolies.

These are pleasant myths, but we can't afford them any more. We must learn that human beings everywhere are very much like us. They have personal problems very much like our own. We must learn that foreign nations have economic and social problems that may or may not be solved as we solve ours. We must learn that the political institutions of other nations have their roots in history, as have ours, and we must learn both the institutions and the history. We must learn from philosophy what is desirable, from history and politics what is possible, then apply all our resourcefulness to devising ways to make the desirable possible.

Such learning was once the province of scholars. Today it must become part of the equipment of a citizen. I am not asking for a curriculum built around courses on peace. The kind of knowledge needed by a citizen today tends to develop out of a sound, liberal education. But we must be conscious of the fact that the problems of peace and of relations among nations now supersede in importance all domestic problems. Peace is the paramount domestic issue.

In facing the world we have been particularly proud of the educational opportunities we offer our youth. But you would be disappointed, if you sat where I sit, to find that respect for our good works by observers abroad and admiration for our social, moral, and intellectual qualities, lag far behind knowledge of our economic power and our military might. Our leadership is accepted less because of our virtues than because of our physical strength.

To me the most interesting and significant statement in Dr. Fine's report is the following: the United States is spending 1.5 percent of its national income for its schools; Great Britain is spending 3 percent; the Soviet Union is spending 7.5 percent. Every major power except the United States is sharply increasing its budget for education. The contrast between the United States and the Soviet Union applies to absolute figures as well

as to percentages. The current Soviet budget, Dr. Fine tells me, shows 8 billion dollars for education, compared with the 2.5 billion dollars we are spending for our public elementary and high schools. This Russian figure does not include items for physical education, scientific institutes, and various cultural activities.

There are some things we can learn from Russia. One of them is to take education more seriously and to take ideas more seriously.

The figures Dr. Fine cites for domestic education in the three countries are roughly paralleled by their expenditures to project their ideas and information about themselves to foreign peoples. The United States today is spending 19 million dollars a year through its State Department's overseas information program to explain itself to foreign peoples. Great Britain is spending two to three times that much for the same purpose. Figures are not available for the Soviet Union, but from the scale of their activities I should judge that more money is being spent to promote Russian ideas than by all other major powers combined on their information and cultural programs in other countries. The Russians take ideas very seriously indeed.

Much of what the Russians do in the field of ideas, both at home and abroad, we would call indoctrination and propaganda rather than education and information. They would call it that too. They frankly regard facts and ideas, and the means of communicating facts and ideas, as instruments and weapons of national and revolutionary policy. Russia's leaders claim they have found in dialectical materialism something close to the final and absolute truth about history, economics, and the good society. They are intolerant of error or divergence, either in philosophy or tactics. Why should they encourage error if they claim they have the truth? These leaders go to great lengths to spread their ideas of the truth, and to attack and suppress what they regard as error.

The western democracies place the burden of determining the truth upon the individual. Through education they hope to provide the individual with the tools of reason that will enable him to recognize truth. Through a policy of freedom of information they present the issues to him for judgment. The western method is, we believe, the surest road to the truth for the long run, and

the only one which is appropriate to human dignity. It is by nature slower and more expensive. Yet we in America find ourselves slighting education at home, minimizing ideas, failing adequately to explain ourselves to other peoples, and blinking indifferently in the midst of what Secretary Marshall calls "a riot of propaganda".

I have emphasized the dark side of the picture. There are encouraging signs as well—streaks of light in an overcast sky. One is the creation of UNESCO—the United Nations Educational, Scientific and Cultural Organization. Another is the establishment in the Department of State of the Office of International Information and Cultural Affairs. A third is the passage of the Fulbright bill, under which a portion of the proceeds of the sale of our overseas surpluses may be used for educational and cultural purposes. A fourth is the developing pressure in support of world-wide freedom of information.

I want to mention UNESCO and our State Department's information office briefly. UNESCO is a David, facing a Goliath of ignorance. UNESCO obviously is not going to bring about, in a few years, the moral and intellectual revolution that is required by the age ahead of us. It can now move gradually toward a more modest goal: to help dispel, in some degree, the unwarranted fears, suspicions, and hatreds that hang like a fog over the world today.

UNESCO's most ambitious single project is a world-wide attack on the problem of illiteracy and the establishment of minimum standards of education everywhere. This is a revolutionary undertaking, but it lies at the heart of UNESCO's long-range effort. If UNESCO can contribute substantially to its solution, it will have justified its existence through this effort alone. Well over half the world's population is illiterate. Can the world achieve peace through understanding in the absence of the simplest tools of understanding, the ability to read and write? Illiterate men are pawns in a power struggle. They are also victims of an inequality so grave as to constitute a threat to peace. UNESCO will create a staff of its own, supplemented by experts from many nations, to recommend programs for combating illiteracy and to determine how best to use books, pictures, films, and radio for this purpose.

UNESCO will undertake a major effort to reduce the barriers that now obstruct the free flow

of communications among peoples. We know from bitter experience that even highly literate peoples, when they are cut off from a full, honest and continuous account of developments among other peoples, can be propagandized and bullied into aggressive belligerency. UNESCO is to survey the restrictions on the flow of information and ideas across international boundaries and the suppression and distortion of information and ideas by any influence. It will stimulate the flow of students, teachers, scholars, and scientists across national boundaries.

In cooperation with the United Nations, UNESCO will explore the possibility of creating a world-wide broadcasting network under international auspices. Such a network might bring to ordinary people everywhere, and in many languages, an account of history, the achievements, the problems, the hopes and the aspirations, the music, and the literature of other peoples.

The operating budget of UNESCO for 1947 is 6 million dollars. This is, I should guess, one ten-thousandth of the world's military and naval expenditures this year. UNESCO cannot succeed as a self-contained entity. It can succeed only as it serves as a channel for the efforts of groups like this one everywhere.

You should interest yourselves also in the new Office of International Information and Cultural Affairs in the Department of State—the OIC. This office is designed to accomplish, on a national and bilateral basis, what UNESCO is designed to accomplish on an international and multilateral basis. Its function is to project to foreign peoples a full and fair picture of American life, and of the aims and policies of the United States Government.

The OIC observed its first birthday on January first. It has maintained small information staffs and United States information libraries used by three million people in 62 countries last year. It has exhibited non-commercial documentary motion pictures about American life to some one hundred million people overseas. It has furnished background material and full texts of official statements to editors throughout the world. It has broadcast by short wave around the clock in 24 languages. Two weeks ago today a twenty-fifth language was added—Russian.

This office has also been the focal point for a program of scientific and cultural cooperation and of exchange of students with the other American

know republics. It awaits congressional authorization to extend this work to the rest of the world. The lack of this authorization, which will be requested in a bill to be introduced shortly, is one of the great gaps in our program. It is a gap which I hope Congress will shortly fill.

Our budget for these OIC activities is less than one quarter of one percent of the budget of the armed forces. There was a time last year when it seemed likely there would be no budget at all. These new activities are still not recognized by Congress and our people as an important and an integral part of the conduct of our foreign relations.

The exchange of students is an example of how we must raise our sights. No single activity in the field of international understanding promises so much for the long run as the exchange of students and teachers. If such exchanges are to be fully effective, in the sense that, in the issue between war and peace, they may actually weigh the balance for peace, they must be undertaken on a scale never before attempted. I am glad to say that, despite the overcrowding of our educational institutions, 11,000 foreign students were enrolled here in 1946. I look forward to the day when the number will be 50,000 a year. If its full potentialities are realized, the Fulbright bill will make it possible for tens of thousands of Americans to study abroad during the next 20 years. This year 74 British and 74 American elementary- and secondary-school teachers trade positions for a year. I should like to see such exchanges greatly increased and extended to other countries.

We Americans have always spent cheerfully on the cure of our diseases. We have been extremely niggardly in spending on prevention. Every advertiser knows how much easier it is to sell a cure than to persuade people to take preventive action. The new realities of international life demand prevention. The cures of international illnesses have become too costly.

The proposed Federal budget for 1948 calls for 7.3 billion dollars for the Veterans Administration, which is a heritage of our past international illnesses. It calls also for 5 billion dollars to service the national debt, most of it due to the same illnesses. It provides 11.2 billion dollars for the armed forces in the event major surgery may be needed in the future. Those three items add up to two thirds of the proposed Federal budget.

It would seem we Americans should now have learned to take seriously the adage about the ounce of prevention—if only on a dollars-and-cents basis. There are those of us who believe that education and the cultivation of understanding among peoples offer the big chance for prevention. Yet the amounts our nation spends for domestic education are declining, relative to the economy; and the amounts we spend to promote international understanding are a pittance compared with the need, with the opportunity, and with the alternatives.

Chancellor Hutchins of the University of Chicago says the task the world faces is a colossal educational task. He remarked recently, "It looks hopeless, but it is not as bad as it looks. In the first place we do not know what education can accomplish because we have never tried it . . . . In the second place the means of communication are now so numerous, rapid, and cheap we can communicate it to the ends of the earth."

What contribution can you make to this colossal task? You can act in your individual roles as citizens. Through this and other organizations you can help our fellow Americans to understand the nature of the problem. You can cooperate with educational groups in other countries, through UNESCO or independently.

There are concrete steps you can take in your own communities. You can ask local editors and radio stations to give greater attention to foreign affairs. You can arrange teacher exchanges with foreign schools in your own high schools, and teacher and student exchanges through your local colleges. You can organize study groups. You can undertake surveys to determine the nature and extent of the misconceptions about foreign peoples and foreign affairs in your town or city.

Every conceivable step we Americans can take to advance understanding among peoples is not a step too many.

That, I think, is what I have tried to say tonight. That, as I conclude, is my theme. If I have a message, that must be it.

All of us realize that a new role has been thrust upon our nation involving new responsibilities and unprecedented new risks. We are not yet following this realization to its consequences in action. A beginning has been made in fashioning instruments appropriate to the new realities—instruments of action. Let us use them boldly and imaginatively.



## The Treaty of Versailles and After: Annotations of the Text of the Treaty

"No treaty in history has produced so much comment, has been so freely criticized, and possibly so little read and understood as the treaty of peace signed at Versailles." This statement appears in the preface to the volume entitled *The Treaty of Versailles and After: Annotations of the Text of the Treaty*, which was released on March 15 by the Department of State.

President Roosevelt directed that this volume be prepared. He foresaw its usefulness to those directly concerned with the making of peace treaties at the end of World War II and to the many interested in studying the differences and similarities between the periods of settlement after the two wars, and he felt that current problems of peacemaking could be better understood with more perspective on the Versailles treaty of 1919 and its execution during the years that followed. He asked that the volume be factual and objective; he fully realized that as a basic reference manual it would have to be technical and documentary in character; but he hoped that it would serve as a basis for further and far more popular studies that would convey to the layman some idea of the complexities of peacemaking and the successes and failures of the peacemakers of 1919.

Vertical lines in the right-hand margins guide the reader to the actual text of the Versailles treaty as it runs through the thousand-page volume. The introduction treats briefly of the Paris Peace Conference of 1919, of the part played by the United States, of the American treaty of 1921 with Germany which followed our refusal to ratify the treaty of Versailles, and of Germany's part in the making of the treaty. The appendix contains the texts of certain other treaties related to the execution or modification of the Versailles treaty. The annotations run through the body of the volume, following the articles of the treaty. As stated in the preface the annotations have been made in order to indicate the practical effect and historical importance of the articles and only incidentally to indicate their legal meaning or historical origin. Articles which provided the basis for controversial

discussion and political action have received special attention.

The annotations relate but little of the negotiation of the treaty, which is covered in considerable detail in the Department's series, *Foreign Relations of the United States: The Paris Peace Conference*, ten volumes of which have already been released. It is planned to make this annotated edition of the treaty the thirteenth and final volume in that series. It will be sold in buckram cover by the Superintendent of Documents for \$3.25 a copy. The advance edition in blue paper will not be placed on sale.

## Air-Transport Agreement With Paraguay

The Department of State announced on March 5 the conclusion of a bilateral air-transport agreement between the Government of the United States and the Government of the Republic of Paraguay, signed in Asunción on February 28, 1947.<sup>1</sup> The agreement was signed for the United States by the Chargé d'Affaires, Leslie E. Reed, and for the Republic of Paraguay by Federico Chaves, Minister of Foreign Relations and Worship.

The agreement conforms to the general type of bilateral air-transport agreement which has been negotiated by the United States throughout the world, consisting of the principles of the Chicago standard form agreement as modified by the principles of the Bermuda agreement between the United States of America and the United Kingdom.

The agreement provides two routes for the United States air carriers: (1) the United States via Peru and/or Bolivia to Asunción and beyond; (2) the United States via Brazil to Asunción and beyond. It is contemplated that Pan American Airways will operate route 2 and that Braniff Airways, Inc., will operate route 1 as provided in the Civil Aeronautics Board decision in the Latin American route case.

It was agreed that a route and traffic point to be served by a Paraguayan air carrier within the United States would be agreed upon at a later date.

<sup>1</sup> For text of agreement, see Department of State press release 171 of Mar. 5, 1947.

## Afghanistan Seeks American Teachers

[Released to the press March 4]

Afghanistan, a country which has been visited by few Americans in its history, has requested the Department of State to find 31 American male instructors to teach at universities in Afghanistan to implement that Government's recently announced policy of making English a curricular requirement.

The request for the teachers came to the State Department from the Afghan Ministry of Education. The Department, through its International Exchange of Persons Division, has undertaken the task of canvassing American educational groups and individuals in the effort to provide the teachers.

The United States Office of Education, the American Association of Teachers Colleges, educational associations, alumni groups, and several universities, including the University of Chicago and Northwestern University, have been requested by the Department to aid in filling the request. Teachers desiring to sign up will be offered a modest salary by the Afghan Government under a three-year contract, plus travel expenses both ways.

Teachers with B.A., M.A., B.S., or M.S. degrees and actual classroom teaching experience are wanted to teach the following subjects in Afghan schools: mathematics, English, physics, chemistry, biology, geography, and geology. The schools to which the teachers will be assigned are located at Kabul, the capital, and at Kandahar, center of Afghan history and Pushtu culture.

Of the thirty-one men needed, two principals are wanted as well as three experts in methods of teaching English for the Teachers College at Kabul, which trains instructors for Afghanistan's schools. At present only two American instructors are teaching at Habibya College at Kabul. They are Arthur V. Huffman of Terre Haute, Indiana, and J. Robert Fluker of Princeton, New Jersey.

The plan of the Afghan Government is to staff three colleges with American teachers. These are Habibya College in Kabul, and Ahmad Shah Baba College and Mir Wais Baba College in Kandahar. The Government plans to place the American principals in charge of the universities.

Each college in Kabul has acquired a foreign-nation affiliation. Thus, Habibyá College is referred to as the "American College".

At least one member of the Afghan Cabinet has seen at first hand the techniques of the American educational system. He is Mohammed Kabir Kahn Ludin, Minister of Public Works, who arrived in the United States in 1931 with the first group of Afghan students to come to America. In the United States he was graduated from Cornell University in civil engineering, after which he worked for the United States Bureau of Reclamation. Returning to Afghanistan in 1940, he rose quickly in the ranks of the Government and last year was appointed Minister of Public Works.

Few Americans have visited Afghanistan, and most have come in the past three years. Thirty-six persons, including diplomatic personnel, constitute the American colony there now.

It was not until the spring of 1942 that the United States opened a diplomatic mission there. Cornelius Van H. Engert was named the first American Minister to Afghanistan in 1942. The present Minister is Ely E. Palmer.

Despite America's late start in establishing diplomatic relations with Afghanistan, the United States received two thirds of all exports from that country during the war, and in turn sold them considerable supplies for cash.

Still another step toward broadening relations between the United States and Afghanistan came recently when the Morrison-Knudson Engineering Company signed a contract with the Afghan Government for the construction of hydroelectric engineering works on the Helmand River and for other construction projects. The construction of the Helmand dam is now in operation and additional American engineering facilities may be made available soon.

## Edwin W. Pauley Resigns

In a letter to Edwin W. Pauley, dated March 7, 1947, the President accepted his resignation as the President's personal representative on reparations matters and as United States Representative on the Allied Commission on Reparations. Mr. Pauley tendered his letter of resignation on February 14, 1947.

March 16, 1947

## Chicago Aviation Agreements

The Minister of Foreign Affairs of China, in a note of December 11, 1946 to the American Ambassador at Nanking, gave notice of the withdrawal of the Government of China from the international air transport agreement adopted on December 7, 1944 at the International Civil Aviation Conference in Chicago. The withdrawal becomes effective one year from the date of notice.

The Ambassador of Iran informed the Secretary of State by a note dated December 30, 1946, which was received by the Department of State on the same date, "that the signing of the Interim Agreement on International Civil Aviation, of December 1944, on the Iranian Government's behalf constitutes an acceptance of the Agreement".

## THE CONGRESS

Supplemental Estimates of Appropriation and Decreases in Certain Estimates Pertaining to Appropriations of the Department of State: Communication from the President of the United States transmitting supplemental estimates of appropriation in the amount of \$8,366,000 and decreases in certain estimates in the amount of \$164,549, together with a draft of a proposed provision pertaining to appropriations of the Department of State, all in the form of amendments to the budget for the fiscal year 1948. H. Doc. 158, 80th Cong. 3 pp.

## Addresses and Statements of the Week

The President.	Peace, Freedom, and World Trade. In this issue.	Address made at Baylor University, Waco, Tex., on Mar. 6.
	The Good-Neighbor Policy—An Application of Democracy to International Affairs. In this issue.	Address made at México, D.F., on Mar. 3.
The Secretary of State.	Peace Treaties With Italy, Bulgaria, Rumania, and Hungary. In this issue.	Statement made before Senate Foreign Relations Committee on Mar. 4.
	Moscow Meeting of Foreign Ministers. In this issue.	Oral statement made in Washington on Mar. 5.
Assistant Secretary Benton.	Financial Aid to Greece. In this issue.	Statement made in Washington on Mar. 4.
	International Understanding: An Undeveloped Human Resource. In this issue.	Address made before the American Association of School Administrators in Atlantic City, N.J., on Mar. 3.
Assistant Secretary Braden.	The Basis for Action. Not printed.	Address made at the New York Herald Tribune Forum in New York, N.Y., on Mar. 8.
Warren R. Austin, U.S. Representative at the Seat of the United Nations.	The Goal of Collective Security. Excerpts in this issue.	Address made before Overseas Press Club in New York, N.Y., on Mar. 4.
James F. Byrnes, former Secretary of State.	Peace Treaties With Italy, Bulgaria, Rumania, and Hungary. In this issue.	Statement made before Senate Foreign Relations Committee on Mar. 4.

## Saudi Arabia Approves Railroad Project by U.S. Firm

[Released to the press March 3]

The Saudi Arabian Legation has informed the Department of State that a report submitted to the Government of Saudi Arabia by an American engineering firm states that a proposed railroad from Riyadh to Dammam is "not only economically justifiable but also economically feasible".

The report, based on an on-the-spot survey by the firm, estimates the cost of construction of the railway at \$18,500,000 with the total expenditure at the end of a 10-year period set at \$20,500,000, taking into account maintenance expenses and anticipated revenues from the railroad.

The projected railway, plans for which were initiated by King Ibn Saud, would cover a distance of 333 miles, and would overcome such obstacles as the Abqaiq Sands and the Dahanas Sands, the former consisting of sand dunes up to 60 feet high and the latter with dunes as high as 100 feet. The Dahanas is a river of sand which is moving southwestward about 20 feet a year and which connects the two great deserts of Saudi Arabia.

The railroad is designed to integrate a country in which trade is now handled largely by camel caravans, which take approximately 11 days to travel inland over the proposed rail route.



## Activities in Korea and Japan Under Military Government

Summation no. 14 of non-military activities in Japan during the month of November 1946 was released to the press by General Headquarters, Supreme Commander for the Allied Powers, and by the War Department in Washington on February 23, 1947. The report indicates the latest social, economic, and political developments in Japan.

Summation no. 14 of United States Army military-government activities in Korea during the month of November 1946, which was released to the press by General Headquarters, Commander in Chief of United States Armed Forces, Pacific, and by the War Department in Washington on March 2, 1947, indicates political, economic, and social developments in Korea.

## THE DEPARTMENT

### Departmental Regulations

#### 133.30 Office of Intelligence Collection and Dissemination (OCD): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Special Assistant to the Secretary for Research and Intelligence, and pursuant to authority delegated by him, OCD is responsible, on behalf of the Department and other authorized Federal agencies, for planning and implementing programs for:

- A Acquiring and disseminating positive intelligence materials and information, including foreign publications.
- B Maintaining and servicing the central collection of positive intelligence materials.
- C Collecting materials, maintaining files, and preparing biographic intelligence reports.
- D Acquiring maps, maintaining the Department's central collection thereof, and preparing specialized maps and map intelligence reports.

II ORGANIZATION. OCD shall be composed of the following:

- A Office of the Director.
- B Acquisition and Distribution Division (IAD).
- C Reference Division (REF).
- D Biographic Information Division (BI).
- E Map Intelligence Division (MI).

III FUNCTIONS OF THE OFFICE OF THE DIRECTOR. The Office of the Director of OCD shall be responsible for planning, directing, and coordinating the work of the component Divisions of the Office.

#### 133.31 Acquisition and Distribution Division (IAD): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dis-

semination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, IAD is responsible for:

A Procuring intelligence materials to meet existing and anticipated needs of the Department, including the issuance of requests and directives to reporting officers in the field.

B Distributing incoming intelligence materials within the intelligence organization, and, as to materials not handled by the Division of Communications and Records (DC) or the Division of Foreign Reporting Services (FR), to the Offices of the Department and to other authorized Federal agencies.

C Coordinating in detail the intelligence acquisition program of the Department with those of other Federal agencies.

D Procuring foreign publications for various Federal agencies through Foreign Service establishments abroad.

#### 133.32 Reference Division (REF): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dissemination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, REF is responsible for:

A Maintaining, cataloging, indexing, and classifying by subject the central collection of intelligence materials and reports of the Department.

B Servicing requests for intelligence materials, including borrowing or arranging to borrow materials from other Federal agencies and from non-Federal organizations.

C Informing users of the receipt of new intelligence and informing the Acquisition and Distribution Division (IAD) of the needs for new intelligence materials.

D Preparing annotated bibliographies on current and long-range research and intelligence subjects.

#### 133.33 Biographic Information Division (BI): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dissemination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, BI is responsible for:

A Organizing systematically and evaluating factual information and opinions concerning persons in foreign countries who are of intrinsic importance or whose activities or views may be considered significant for the United States in connection with the determination and implementation of foreign policy.

B Preparing in cooperation with interested elements of the Department, reports covering the background, career, role, influence, connections, and policies of such persons.

C Participating with other elements of the Department in the development of programs for the collection and distribution of biographic intelligence.

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